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**Towards an Understanding of the
Effectiveness of Advertising**

***Supervisor:* Professor Gordon Wills**

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PAGE

NUMBERING

AS ORIGINAL

To: Dionysus

"We must first observe that there is a principle implied in the very statement of what *Induction* is; an assumption with regard to the course of nature and the order of the universe; namely that there are such things in nature as parallel cases; that what happens once will, under a sufficient degree of similarity of circumstances, happen again, and not only again, but as often as the same circumstances recur.... And if we consult the actual course of nature, we find that the assumption is warranted. The universe, so far as is known to us, is constituted so that whatever is true in any one case is true in all cases of a certain description; the only difficulty is to find what description."

John Stuart Mill (1806-1873)
in his treatise *A System of Logic*

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I am indebted to my supervisor, Professor Gordon Wills, for the opportunity of undertaking the study described herein, and for the inspiration he has consistently provided.

I am grateful to the many people within the companies sponsoring the research, who have collaborated so fully as well as generously financing our work.

I am also cognisant of the contribution of the colleagues with whom I have worked, and of their determination and industry.

Lastly, but by no means least, I must thank the tireless band of secretaries who have helped to prepare all the material presented during the study, and also the equally tireless Mrs Dora O'Dochartaigh, who prepared the material presented here.

* * *

PREFACE

The author has been concerned with a study of "The Measurement of Advertising Effectiveness" since 1972. During the course of this study, some 11 reports have been produced. In accordance with Regulation 14.9 of CIT's Regulations governing the submission of material for higher degrees, these reports are submitted, together with an exposition of the material contained within them.

The exposition which is presented here attempts to describe the contents of the reports in the overall context of the study of which they were a part. Hence, this exposition contains: a description of the study; a description of the overall methodology employed; a summary of the contents of the reports; and, an appraisal of the study's methods and outputs.

No precedent exists for such expositions and the author has chosen the form and content which he believes will best allow the contents of the reports to be appreciated.

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Chapter 1: INTRODUCTION

1.1 BACKGROUND

The author has been engaged upon a full-time study of "The Measurement of Advertising Effectiveness" since February 1972. The study has been sponsored over this period by a consortium of major advertisers, who were, between them, contributing in 1972 some 12% of the total expenditure by manufacturers on consumer display advertising. The study has been fully collaborative in that the sponsoring organisations have allowed their own experience, expertise and data to be tapped during the course of the study. Each sponsoring organisation nominated a representative, who became a member of a Committee of Sponsors. The participative nature of the study was maintained throughout by means of regular meetings between those responsible for the research and the Committee of Sponsors. At such meetings, the course, conduct and content of the research programme, together with its outputs, were appraised and agreed. The main agreed programme of research was completed by December 1974. However, most of the organisations requested that they be allowed to continue to sponsor further collaborative research in the area of marketing communications. A continuing programme of research has been maintained with these organisations, and this has involved the author.

The terms of reference contained in the research proposal to the sponsor organisations, were very broad. No precise methodology was proposed, and no promise was made as to the outcome expected. The proposition that was accepted was that contemporary practice and theory on the "Measurement of Advertising Effectiveness" would be evaluated. It was further implicitly accepted that as the study progressed and the needs for specific research were identified, so particular research approaches would be discussed.

The original study of the "Measurement of Advertising Effectiveness" produced a series of 11 main reports during the three-year period, as well as seven occasional papers. The purposes of these reports varied because of the evolutionary and collaborative nature of the study. The initial reports were surveys of current practice and literature reviews aimed at formulating the required plan of further research. Subsequent reports were transitional in that they proposed

the empirical work to be undertaken, and reported the results of early findings. Finally, the last reports presented material derived entirely from the empirical work undertaken during the study. Within the programme of reports there were additionally some that were produced on topics especially requested by the sponsors. These reports augmented those reporting the progress of the study.

Hence, a set of reports were produced in the course of the study. They do not fully describe the study that was undertaken: rather, they are products of the study. The main purpose of this exposition is to describe and appraise the contents of these reports in the context of the overall study that was conducted.

1.2 THE AIM OF THE EXPOSITION

The broad aim of this exposition is to explain the purpose and nature of each of the 11 reports, and their contribution to the outcome of the study. It is also necessary, therefore, to describe and appraise the study of which they form a part.

The purpose of this document, therefore, is to:

- (a) briefly describe the research study that was undertaken
- (b) describe the methodology employed in the study and the role fulfilled by the research reports
- (c) provide synopses of the reports
- (d) appraise the methodology employed in the study
- (e) summarise the overall outcome of the study and appraise this

1.3 THE STRUCTURE AND ORGANISATION OF THE MATERIAL PRESENTED

The 11 research reports are presented separately in two volumes: set 1 contains Report Nos.1 - 5; set 2 contains Report Nos.6 - 11.

The succeeding sections of this Introduction, provide summary information on the organisation of the study: how it was directed and what broad methodology of approach was adopted.

In Chapter 2, a full chronological description is given of the way in which the study was conducted. This description begins with the inception of the study and finishes by explaining the way in which the findings of the study were still being disseminated mid-way through 1975. This chapter is entitled "The Research Methodology" since it explains the reasons behind the adoption of various courses of action. It also fully explains the role of each of the reports in the evolution of the study. In general, each of the reports was discussed by a meeting of the Committee of Sponsors. A synopsis of each of these meetings is given in the chapter.

Chapter 3 presents a synopsis of each of the main reports. At the end of the synopsis of each report a critical appraisal is presented giving comments on the report. In some cases, extra material is presented with the synopsis; this is meant to augment the report and its findings. It must be stressed that the reports were not the only means of communicating with the sponsors. Group meetings, seminars, workshops and meetings with individuals, also took place. As is described later, the study could be cast in the role of Action Research, where two audiences are addressed: the sponsors and the teaching/academic community. This was not wholly appreciated during the course of the study, and some of the reports err towards the academic, while others attempt to be somewhat prescriptive for the sponsors, without presenting the full evidence and justification for the reasoning. The "Comments" on the reports are a small attempt at redressing the balance for the purposes of this submission.

Chapter 4 then presents a brief summary of some of the apparent outcomes of the overall study. This assessment is partly quantitative, but mainly derived from a judgemental appraisal of the behaviour of the sponsoring companies in the year following the completion of the study.

The overall research approach to the study is proposed to follow that of what has been termed "Action Research". Chapter 5 reviews the Action Research methodology. This is then appraised against a typology of research methods, to ascertain whether, as an approach, it can justifiably be expected to "contribute to knowledge".

Finally, in Chapter 6, an overall appraisal of the findings of the study are presented, together with some conclusions on the form of approach adopted and the material presented in the reports.

1.4 THE MANAGEMENT OF THE STUDY

The study of the "Measurement of Advertising Effectiveness" was originated by the joint directors, Professors Harry Henry and Gordon Wills. This stage is described in the Methodology section under "The Inception of the Study" (2.2). The broad terms of reference and the collaborative nature of the study were established by the directors. The principles of frequent meetings with the Committee of Sponsors, and the predominant use of material drawn from within companies, has been insisted upon by the directors throughout.

Hence, at the commencement of the study, when the author began work on it, the broad conceptual strategy was determined. The author believes he has had a joint responsibility subsequently for evolving the tactics for turning this concept into reality. This has involved more than just deciding research methodologies and analyses; it has involved maintaining interest and goodwill with a range of different individuals in the different collaborating sponsoring organisations; it has involved organising meetings and seminars; it has involved answering informal enquiries and acting as a counsellor on peripheral subjects. This aspect is examined to some extent in the chapter on Action Research, but in general it is difficult to commit to paper. The Methodology section attempts to demonstrate the form of the relationship that was built-up between the sponsors and the researchers.

1.5 AN OUTLINE OF THE STUDY OF "THE MEASUREMENT OF ADVERTISING EFFECTIVENESS"

A full exposition of the steps in the development of the study is given in the Methodology section (Chapter 2). Appendices I and II present the two documents that were prepared prior to the first meeting of the Committee of Sponsors. These set out the aims of the study and the probable subject matter for examination.

A pamphlet produced by the study directors shortly after its commencement contained a summary of the objectives:

"The objectives of this particular empirical study are two-fold, and correspond to the two major phases of the investigation.

Phase One: To identify and evaluate current company practice in the measurement of advertising effectiveness. This will be attempted in a broad cross-section of enterprises including the sponsor companies. Industrial and consumer markets and service industries will be encompassed. So too will fast and slow moving product areas, with high and low value offerings. Where possible and appropriate, promotional activity both above and below-the-line will be taken into account.

Phase Two: To interpret the empirical data in terms of contemporary theories, drawing particularly on the econometric and social psychological contributions. The interpretation of company practices is intended to enable:

- i: the development of more effective operational procedures for companies; and
- ii: the more fruitful development of academic teaching and research in the field of marketing communications."

Another part of this pamphlet proclaimed:

"To succeed, this study requires the closest possible liaison with sponsor and other cooperating companies, not only in terms of empirical data and information, but in terms of critical advice and support. All information is treated in the strictest confidence and will appear only in the form of anonymous statistics in the (study's) reports and publications."

In practice, the two members of the research team took the following steps:

- 1: Visited each sponsor company to learn of current practice and problems and study advertising management decisions *in situ*.
- 2: Reviewed the literature on advertising measurement.

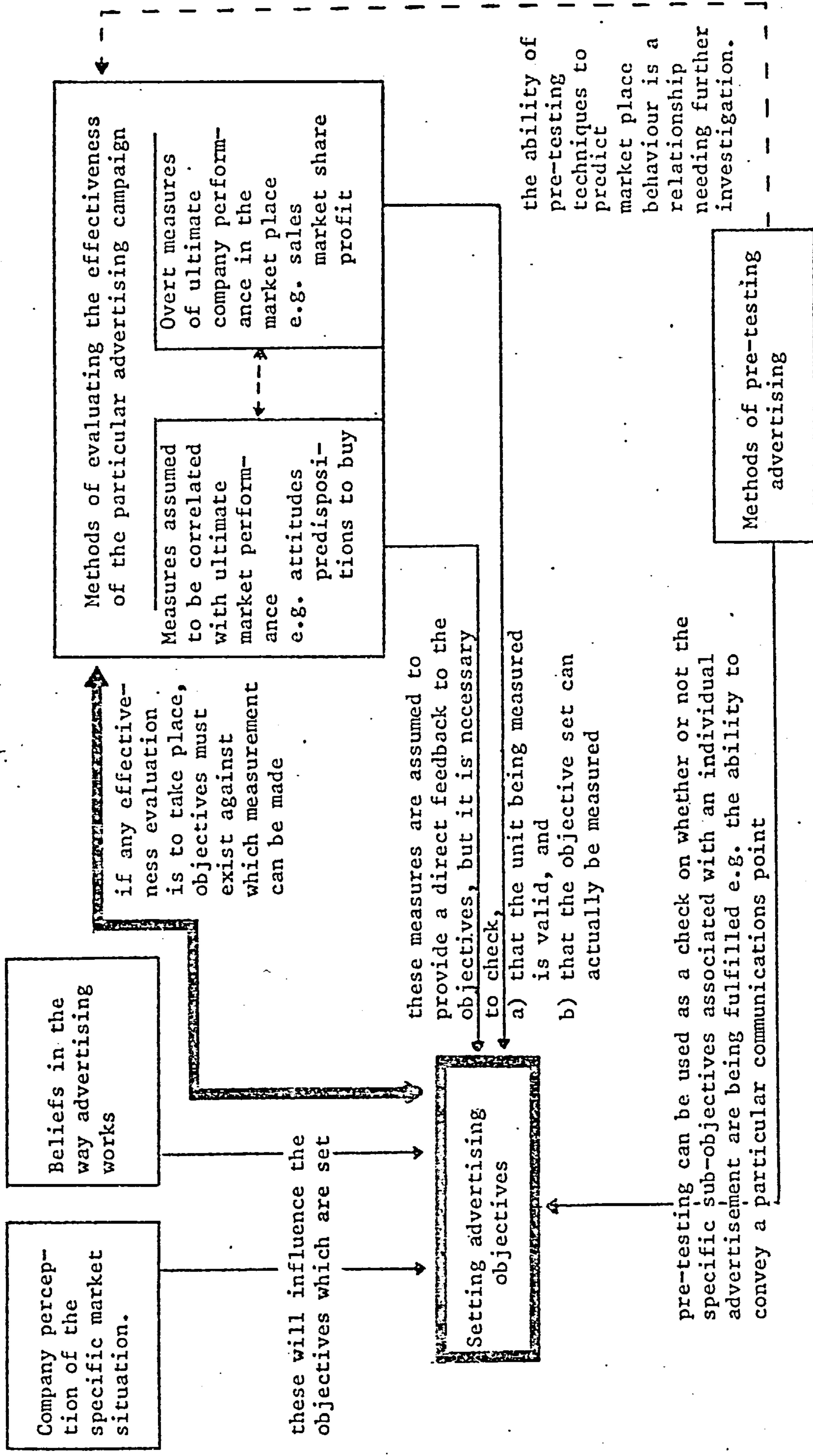
- 3: From steps 1 and 2, and in consultation with sponsors, developed a programme for further empirical research.
- 4: Selected a sample of products from within sponsor companies, and attempted to gather information on each for each of the boxes depicted in the Research Plan diagram, below.
- 5: From the information collected at step 4, established how advertising objectives could be assessed for their degree of achievement. Comparative analyses were also conducted on the data to see if coherent patterns of advertising objectives were set in particular situations.

The outcomes of the empirical part of the study were that:

- (a) the need for setting clear advertising objectives was emphasised; and
- (b) it was demonstrated that advertising objectives, as defined in the study's recommendations, were usually measurable.

The overall outcome of the study was less easily ascertained. However, it was observed that some companies had changed their advertising management behaviour in line with the study's findings and even more professed to have changed their attitudes towards behaving as recommended. Most of the sponsoring organisations also requested that they continue to sponsor another three years research into advertising management.

DIAGRAM 1: The Research Plan



n.b. The dotted lines indicate relationships that may not be examined in the time available for the study.

Chapter 2: THE RESEARCH METHODOLOGY

2.1 INTRODUCTION

In this section, the way in which the study has been undertaken will be described.

The most straightforward statement that can be made about the overall methodology employed is that it "evolved" over time. This is not to say that it was completely unplanned. The initial objectives suggested the need to survey current company practice and this was undertaken by open-ended interviews, for example. However, as the study unfolded and further, more specific objectives were defined, appropriate methodologies were employed.

The study was a collaborative one between, on the one hand, a heterogeneous group of companies and, on the other, a research team from a university. The interests in the study of the different companies involved varied, and in some were likely to change over time. Hence, in order to retain the collaborative aspects of the study, the nature of the work undertaken had to be responsive to the needs of the total group of companies, whenever possible, within the confines of the study's terms of reference and resources. The most important influence on the evolution of the study and the methodologies employed was the need for it to be interactive and to help learning to take place within the group.

The study can be described as employing the Action Research methodology. This particular approach is examined later in detail and subsequently this study's methodology and findings are appraised against the apparent criteria for Action Research. The development of the overall study and the main events occurring in it are charted in Table I at the end of this section. In the succeeding paragraphs, the way in which the study was conducted is outlined.

It is important, perhaps, to emphasise that the description of the study is from my own perception. I have used the documents that record events wherever possible. I was not involved with the inception of the study and the description of this is culled from discussions with the directors and scrutiny of their correspondence.

2.2 describes the chronological sequence of events of the study, which contributes to an understanding of the methodology that was evolved. Table I encapsulates the main features involved. Diagram 2 summarises the main features of the empirical work and the analyses undertaken.

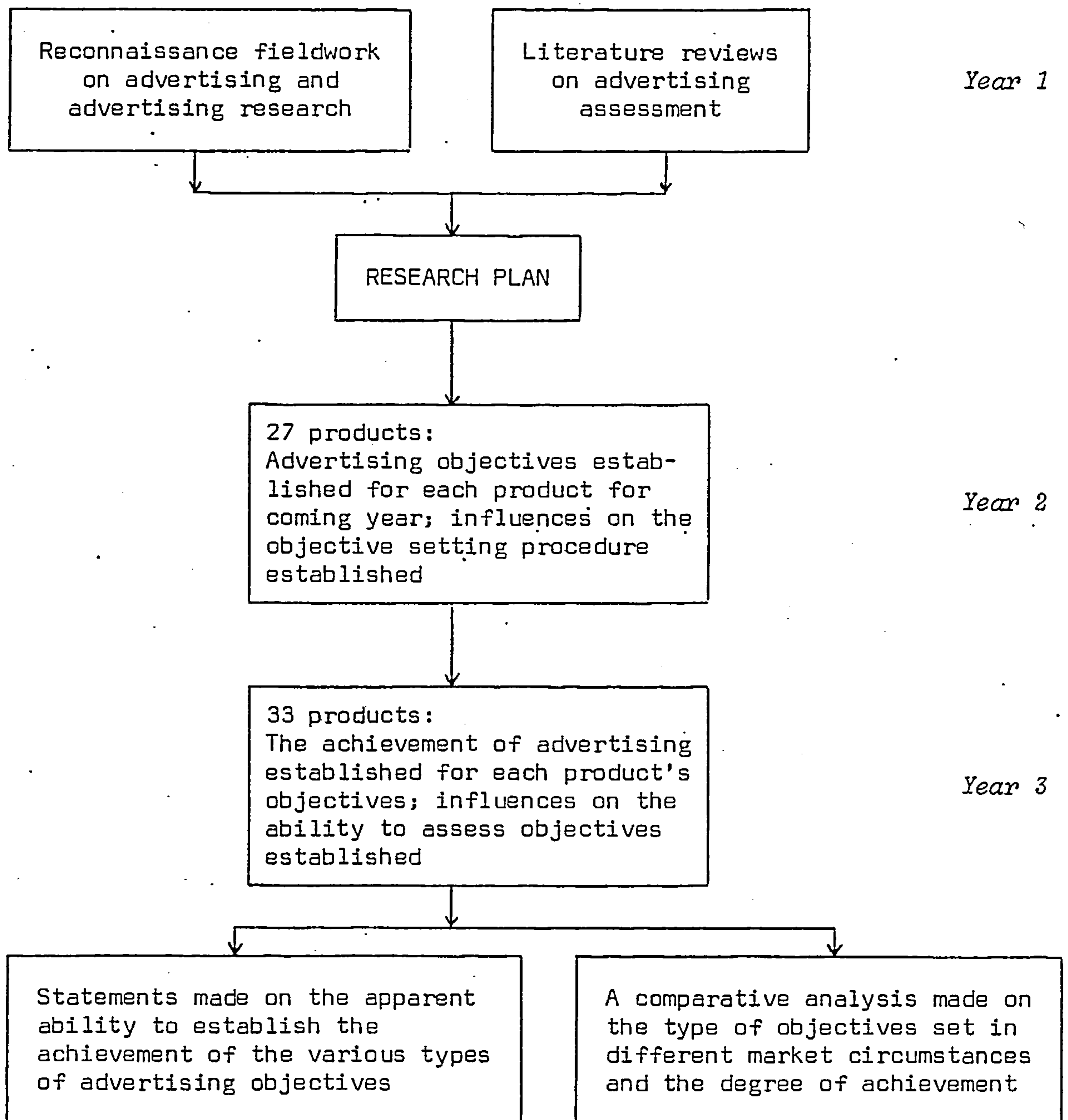
TABLE I: Chronological Development of the Study and Major Events

1970/71	:	1: Recruitment of companies to sponsor and collaborate in the study
1972	:	2: Initial meeting with representatives from each sponsor (Committee of Sponsors); initial objectives agreed.
		3: Reconnaissance visits to each company to establish: <ul style="list-style-type: none"> i: advertising practice ii: advertising evaluation practice iii: case histories of advertising evaluation iv: previous research of potential relevance and interest v: personal contacts vi: sources of information on advertising and market background
		4: Literature reviews on measuring advertising effectiveness: <ul style="list-style-type: none"> * Pre-testing advertisements (<u>Report No.2(i)</u>) * Post-display analysis of advertising achievements (<u>Report No.2(ii)</u>)
		5: Report summarising the conclusions from the reconnaissance visits to companies (<u>Report No.1</u>)
1973	:	6: Proposals for the major emphasis of empirical study to be undertaken with sponsor companies (<u>Report No.3</u>)
		7: Meeting with Committee of Sponsors to finalise research plan and programme of work for 1973.

-
- 1973 : 8: Fieldwork undertaken within each sponsor company; marketing and research executives interviewed about setting advertising objectives.
- 9: Literature review on the "processes of advertising" which summarised the many contributions to understanding "how advertising works" (Report No.4)
- 10: A report on why advertising expenditure tests rarely produce conclusive results, and how to conduct such experiments more successfully (Report No.5)
- 11: Two questionnaires sent to each company: one to gather statistics on advertising and research expenditure; the other to confirm information gathered through open-ended discussions earlier.
- 12: A Workshop was held to promote inter-sponsor discussion on current advertising research topics.
- 13: A draft report on the initial findings of the fieldwork of 1973 (Draft Report No.6)
- 14: A meeting of the Committee of Sponsors to discuss the reports produced so far, and particularly Draft Report No.6. A "workplan" for 1974 was presented and discussed.
- 1974 : 15: A report on "Setting Advertising Objectives" based on the literature and the findings of the 1973 fieldwork (Report No.6). This was a revised version of the draft report.
- 16: A report summarising the progress of the study so far and future plans (Report No.7)

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- 1974 : 17: The fourth Committee of Sponsors' meeting, which mainly discussed the findings of Report No.6 on Setting Advertising Objectives.
- 18: Fieldwork undertaken within each sponsor company to follow up the research undertaken in 1973.
- 19: A report on the "Setting of Advertising Budgets". This attempted to cull from the literature, the major influences on how advertising budgets should be derived. Advice and some empirical findings (from sponsor company data) were also given (Report No.8)
- 20: A report on the detailed findings of the overall empirical research programme (Report No.10).
- 21: A two-day Workshop at which the Committee of Sponsors discussed the findings of the study.
- 1975 : 22: A "management oriented" report summarising the main conclusions from the study and some of the recommended implications for managing advertising (Report No.11)
- 23: One day in-company presentations of the main findings of the study (as set out in Report No.11, but using a "glossy" version).
- 24: Visits to each sponsor company in connection with the next set of research topics, but which allowed feedback and observation of some of the effects of the earlier research on company behaviour and attitudes on advertising.
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DIAGRAM 2: A Synopsis of the Empirical Research Procedure that was used



2.2 CHRONOLOGICAL SEQUENCE OF EVENTS

THE INCEPTION OF THE STUDY

Professors Harry Henry and Gordon Wills have jointly directed the study. The study was originally set up under the aegis of Professor Gordon Wills at the Management Centre, University of Bradford. Professor Wills had already directed a study of non-media promotional practices used in marketing (Christopher¹). He was aware of the many managerial difficulties of assessing the effectiveness of promotional activities. Professor Harry Henry, a Visiting Professor at Bradford, had very many years experience of marketing management and of conducting, and being the user of, research for marketing purposes. From his experience, he had observed that a company's use of research techniques for advertising assessment was very arbitrary. He was concerned that all methods that had been developed for assessing advertising should be catalogued together with the evidence to support the claims made for their use. He was primarily concerned about methods of pre-testing advertising.

Professor Henry, and Professor Wills, wrote to various chief executives of organisations which were among the largest advertisers in the UK. It was suggested to each person contacted that because of his commitment to spending large sums of money in advertising, it would be in his organisation's interest to support a major study of the measurement of advertising effectiveness. It was not suggested that major revelations would ensue, but that a serious longer-term appraisal of what was known about the subject would be likely to repay the relatively small investment. It was suggested that a group of organisations be involved so that:

- (a) the research could encompass the experiences of a wide range of companies
- (b) the research project could act as a medium for the cross-fertilisation of ideas and knowledge
- (c) the financial commitment of each organisation would be small

In fact, each organisation was asked for the commitment of £500 for each of three successive years. The main canvassing for support of the project was undertaken in late 1970 and during 1971. In almost all cases the initial approach was made to either the chief executive or the marketing director of large companies. Some 40

1. Christopher, M.G. 'Marketing Below the Line' George Allen & Unwin (1972)

organisations were canvassed and, only on the promise that the subject would be examined (rather than the problem solved), 18 sponsor organisations were recruited by the end of 1971.

The group prepared to sponsor the study were drawn from a range of industries. The group encompassed those manufacturing frequently-purchased grocery goods, through to those producing consumer durables, and also to those providing energy and services. No organisation with business interests in providing media for advertising or in providing advertising services was initially allowed to join the group. The study was, therefore, to be conducted in collaboration with advertisers. A description of the sponsoring organisations is given in MCRC Report No.1.

THE INITIAL ORGANISATION OF THE STUDY

It was agreed with the sponsor organisations that a committee be formed comprising one representative from each sponsor. This committee would meet to liaise with the research team and each member would act as the initial point of contact between the team and each organisation.

THE RESEARCH TEAM

Late in 1971 two full-time researchers were appointed to the study: a senior research fellow (myself) with an operational research background and experience of the advertising industry and research; and a research fellow, with a social science background, who was conducting a qualitative study of the formation of company images. The study's directors felt that it was desirable to have a multidisciplinary approach since the subject matter would, it was hoped, encompass various disciplines and not wed itself from the outset to a particular ideology.

THE FIRST MEETING OF THE COMMITTEE OF SPONSORS

Early in 1972, a meeting was convened between the Committee of Sponsors and the study directors, together with their research team. Most of the members of the Committee were executives who had been nominated by their chief executive or marketing director. However, the group comprised three marketing directors and all members were senior executives responsible for strategic, as well as tactical policy and research decisions.

Two documents were submitted to the meeting for discussion. The first summarised the proposed approach to the overall study. It itemised: the objectives; the areas to be covered; the procedures to be adopted; the methodology; the dissemination of results; and, the biographies of the research team. Appendix I presents this document. It was prepared by the joint directors. Points of note in this document are that it was suggested that

"the objective... is to bring together the techniques which are currently used... to measure the effectiveness of promotional expenditures, and to examine and codify these in detail in the light of the empirical evidence as to their validity. Evaluation, in terms of criteria developed from the experiences of the sponsor firms and other collaborators, lies at the heart of the project"

No further specification of "promotional expenditure" was made in this statement of intent; all forms, it was suggested, should be examined initially by the research team, who would clearly define them. It was suggested that information would also be canvassed from non-sponsors so as to broaden the coverage of experience, although non-sponsors would not "be involved in the feedback procedures".

It was stressed in this document that the study was essentially one of verifying methods rather than the research companies providing them, where appropriate. It was clearly stated that the results of the study would be produced, hopefully, as a book and also in the form of journal articles. Stress was laid on the desirability for discussions to be held between the researchers and the sponsors on the various outcomes of the study as they emerged, so that the latter "should be able to draw from the findings ... at least some conclusions of reasonably immediate practical

application". Finally, the assertion was made that any sponsor had the absolute right to ensure that nothing was published in any form that they regarded as breaching their own commercial security.

The second document, written by myself after discussions with Professor Henry and the second research team member, outlined a proposed schema for the work to be undertaken in the first year of the study. This is presented as Appendix II. This document tried to be more specific in detailing the sort of topics the researchers would wish to discuss within sponsor companies. It was intended to amplify the overall research approach statement and indicate the degree to which the researchers were conversant with the probable subject matter thought by sponsors to be important to consider. It proposed gathering data on case histories of advertising situations which itemised "inputs" to the marketing system (advertising, price, etc.) and the measures of "output" (changed levels in product performance). This latter aspect reflected my predisposition for casting problems into the framework of a proposed "model" of the system under investigation. Essentially this document proposed two parallel courses of action: information gathering within sponsor companies, and a literature search to gather published, documented evidence on the use of methods to measure advertising effectiveness.

At the meeting, the two documents were discussed. Their contents were broadly endorsed. Some doubts were expressed at the wisdom of tackling such a broad canvas, while some Committee members were particularly keen to have a particular interest area dealt with in detail. The meeting agreed that it was unwise to prejudice the research direction too early and the research team were encouraged to undertake their literature review and reconnaissance fieldwork, and *then* present their proposals for specific research.

The research team subsequently visited each sponsor company for usually two consecutive days. The main information sought was:

- i: background company information - products, markets, structure
- ii: lists of advertising campaigns used over the previous five years, together with the related research undertaken
- iii: more detailed information on two specific campaigns chosen by the sponsor because of the response generated or the research methods employed

The researchers requested that they be able to speak to marketing personnel as well as research personnel.

THE RECONNAISSANCE FIELDWORK

All sponsor companies were contacted via their member of the Committee of Sponsors. A letter to each indicated the areas of interest to the research team. Subsequently each company was visited. The visit usually took the following form:

- i: the Committee member introduced the company and its basic features, markets and structure
- ii: he passed the researchers to marketing colleagues who gave the marketing history of the company or the products with which they dealt, and then talked through the advertising history of the company and/or the products
- iii: the research team was then introduced to the company's market research department and discussed their work in the area of advertising
- iv: the researchers then spent more time with the original contact person discussing the philosophy of the approach to the study

In many cases, the person with whom most time was spent was the person responsible for research. In some companies, he was the person fulfilling roles i, iii and iv above. In all cases, both members of the research team took notes of what was related to them. Wherever possible documents relating to situations described were borrowed for further scrutiny by the researchers. Generally, discussions were directed to obtain the sort of information outlined in the schema proposed to the sponsors meeting. However, respondents were encouraged to talk about issues they felt were important to the study. A report on the activities of each company was then written.

In one instance, a company had its various advertising agencies prepare briefing documents on the advertising and market histories of its main brands. The research and brand managers then talked around

these briefs. In another company, the personnel initially contacted had to send the research team to its advertising agency as it was the repository of the records of advertising activities.

THE REPORT ON THE INITIAL FIELDWORK

After the fieldwork had been completed, a meeting was held with the study directors at which was presented a brief summary of each company's advertising and research activities, including methods used. This information was presented in chart form and indicated against each company what examples they could furnish of the use of a particular advertising measurement approach. It was generally agreed that there was a great paucity of clear-cut examples and no discernible patterns of use emerged.

The purpose of the fieldwork report (MCRC Report No.1) was to make a summary of current company practice regarding the use of advertising and advertising research methods. This information was presented together with an analysis of the company structures and market situation. A synopsis of this report is presented in the section entitled *Synopsis of Reports*.

As well as the tentative conclusions on present advertising practice, the report listed some "emergent areas for more detailed research". These were topic areas that were either

- (a) mentioned frequently in interviews as being unresolved problems
- (b) those upon which the research team had hoped to gain information, but with no success in the interviews

It was intended that these topics could help determine the priorities for further research.

THE LITERATURE REVIEWS ON THE MEASUREMENT OF ADVERTISING EFFECTIVENESS

In parallel with the reconnaissance fieldwork, two literature reviews were conducted: one on pre-testing methods and one on the post-display analysis of promotional effectiveness. The purposes of the reviews at this stage were:

- i: to make summaries of the statement of the art on pre-testing and post-testing advertising effectiveness, as defined by the literature
- ii: to make statements on how "theory" suggested advertising effectiveness should be measured
- iii: to provide both the research team and the sponsors with reference material for further use in the course of either the study or, in the case of sponsors, their management commitments

The two reviews (MCRC Reports Nos.2(i) and 2(ii)) are summarised in the "synopsis" section.

It was intended that an appraisal of both the literature and current practice would allow the research team to formulate appropriate, specific further research to further the aims of the study.

A systematic search of the literature was embarked upon to generate material for consideration in the reviews. The compilation of literature relevant to the overall study area continued through the whole period of the project. A comprehensive card index system was instituted and a photocopy library built up. By the end of the three years of the project, some 2,000 articles had been logged and a bibliography prepared.

A CHANGE OF LOCATION

At this point in the study the research team's base was transferred from Bradford University to Cranfield School of Management. All the sponsors readily agreed to the transfer of their sponsorship

funds to the new institution. The physical removal problems caused some delay to the project, but no change of direction, since the same degree of autonomy was afforded the project and the researchers as had existed previously.

THE RESEARCH PLAN

The next document that was produced and circulated to the Committee of Sponsors was the proposed plan of the research to be undertaken during the rest of the study.

This was a statement of what the research team, with the directors' approval, felt was a feasible and potentially most worthwhile task to which to address themselves. The full reasoning behind the formulation of the central focus for attention is given in MCRC Report No.3. The main influences are summarised below.

It seemed clear by now that much of the debate both in companies and in the literature concerning decisions on whether advertising could or could not be judged as "effective", were unresolvable in specific cases, unless the precise purposes of the advertising were known and clearly stated. The research team were fully convinced that without objectives and benchmarks no measurement of advertising achievement could be possible. This topic had been mentioned as an "area needing further study" in Report No.1, and the need for objectives much more fully emphasised in the review on the post-display analysis of promotional effectiveness, Report No.2(ii).

The research plan also acknowledged the need to appreciate the full marketing conditions in which any advertising is undertaken. Through the initial fieldwork, the point that advertising and promotion are very much part of the overall marketing approach to managing products, or services, had been reinforced. Advertising was rarely managed as a completely isolated activity, and therefore the research plan must acknowledge this if it was to produce actionable findings, it was argued. The research team also felt that they had a unique opportunity in being able to access a range of companies and their records and executives and time. It was felt the research plan should capitalise upon this opportunity. Hence, the simple compilation, or cataloguing, of research techniques would not fulfil the obligation to examine the problem as fully as the opportunity would allow.

The research plan that was proposed centred round the assumption that advertising objectives were the fulcrum upon which rested the ability to measure any achievement. The research team, therefore, proposed that it was necessary to establish how and why advertising objectives were set, for a range of products and services, in a variety of marketing situations. The next step in the research design was then to follow up how the objectives related to the methods that could be used to establish the achievement of the advertising plans.

An important qualification to the total aim of the study was made at this juncture. It was proposed that in future the project should concentrate its efforts on the study of media advertising only. It was suggested that other forms of promotional activity for marketing purposes were too ill-defined to be included in any more detailed analysis. Basically, the research team found in their reconnaissance visits that records and documents relating to "below-the-line" activities were not readily and systematically available in most companies, and therefore could not be rigorously investigated.

As part of the continuing process of bringing both the research team and the group of sponsors up to date on the literature, it was also proposed that a review be produced on "How Advertising Works". Page 9 of Report No.3 summarises the key elements of the proposed research strategy. The document then continued to explain how what had been identified earlier as important issues, were incorporated into the basic research design. It was also shown how many of the specific "topics for further research", identified in Report No.1, would be accommodated in the continuing programme of research.

The research plan also included the intended programme of reports that would be issued during the next 12 months of the study. Finally, it was proposed in the document that a workshop be held towards the end of the next 12 month period, to enable "sponsors and other closely interested organisations to meet for an in-camera exchange of views on any major problems they face, and how they are currently tackling them". This was at the instigation of the project director, Professor Gordon Wills, who believed this was a necessary feature of the total group-interaction process.

THE SECOND MEETING OF THE COMMITTEE OF SPONSORS

At the next meeting of the Committee of Sponsors, the first three reports the study had prepared, and the research plan, were discussed.

The main points emerging from the discussions on these documents are summarised at the end of Report No.3. One point of interest is that it was felt that the report on company practice had been too careful to maintain confidentiality. The main comment on the literature reviews was that, in future, the researchers should be more prescriptive. The suggestion was that the business executive does not have the time to read discursive papers: he needs others to point to the conclusions of such work and to the implications for the way he must make decisions.

The suggested research plan was discussed in relation to Diagram 1, which embodies the key features. It was wholeheartedly endorsed together with the proposed programme of reports. To the list of reports, however, it was requested that a study of methods of setting budgets for advertising be undertaken. This was duly added to the programme of work.

THE SECOND FIELDWORK PHASE

From the information gathered during the reconnaissance visits to each company, the research team selected a set of products upon which the rest of the empirical research would be based. The intention was to gather information on each "box" depicted in Diagram 1, for each product chosen. In the next fieldwork phase, the emphasis would be on understanding the influences on the setting of objectives for advertising (the left-hand side of Diagram 1). Subsequently, information would be gathered on the evaluation side.

The rationale underlying the selection of the sample of products to examine in depth is given in Report No.6, pages 39-40. Three key features determined the selection:

- i: the market situation for the product had to be reasonably well understood by the researchers so that a sub-sample of products from similar market situations could be selected
- ii: there had to be substantial documentation related to the product, or product category. This condition was initially required so that documentary evidence could be used to verify management statements. However, as the study progressed, this

condition became more valuable since the turnover of management meant that in some cases documents provided the only consistent source of information

- iii: there had to have been a history of research studies related to the product and particularly for its advertising decisions

The liaison person in each sponsor company was requested to set up a series of meetings with the research and marketing personnel responsible for the chosen products. In most cases, the liaison person was also a member of the Committee of Sponsors. However, requests came from many of these for some sort of supportive document, or information, to enable them to brief their colleagues. Where the persons to be visited in each company were identified in advance, the research team sent a two-page synopsis of the purpose of the study and the topics they would like to discuss. This document became the basis for all future discussions, and is itemised in Appendix III.

It is important to stress that all interviews were conducted informally, with respondents being allowed to discuss issues they felt were important to the general area under discussion. The interviewers attempted to steer the conversation round to the topic headings on their list; however, in some instances, information was not gained on all the topics on the list.

For each product investigated, the researchers tried to ensure that they spoke to at least the marketing manager responsible for the product and another person, usually the research manager.

Both researchers took notes at the interviews, which were later transcribed into separate reports by each researcher and filed together. In some cases, the understanding on some points differed; where the point was important and of a factual nature, a telephone call to the company concerned was used to confirm one view or the other.

Subsequent to the field interviews, two short questionnaires were sent to the respondents who had been interviewed. The first questionnaire requested statistics of each company relating to its overall expenditure on advertising and market research. This was to provide the sponsor group with aggregate information on the average level of resources devoted to such activities within the group. Such information had been requested at the previous sponsors' meeting. The second questionnaire was mainly to confirm information

collected during the interviews. It chiefly sought respondents' views on "how advertising worked" in their market, and also asked them to verify the researchers' interpretation of the advertising objectives that had been specified during the interview. These two questionnaires are itemised in Appendix IV.

THE LITERATURE REVIEW ON THE PROCESSES OF ADVERTISING

During this phase of the study, an extensive report was issued which reviewed the literature on the processes of advertising. "Processes of advertising" was taken to include theories of how advertising worked, together with details of studies on particular influences thought to have a bearing on the "effectiveness" of advertising: for example, source credibility, and the influence of the medium. This report was intended to summarise the main theoretical propositions advanced over the previous 10 years, together with evidence from the more accredited empirical studies. As with previous reviews, it was hoped that everyone in the group - both sponsors and researchers - would find this report a useful reference document.

The report's main findings are given in the section "Synopsis of Reports".

THE REPORT ON MEDIA EXPENDITURE TESTS

In the report (No.1) on the first reconnaissance survey, it had been remarked that many companies were in the habit of undertaking what they called advertising expenditure tests. However, very few conclusive results seemed to be traceable by the research team either in documentary form, or by verbal conviction of the managers concerned. This seemed to the research team a lamentable waste of resources.

Mainly because one member of the research team (myself) had an interest in this sort of subject, and believed he had a skill and experience to offer the group, a report on the topic was insinuated into the list of work to be undertaken. Subsequently, the Committee of Sponsors seemed to accept that it *was* a subject of concern, and one which they had requested. A report on the topic was duly pro-

duced. It aimed at providing practical advice as well as examining the topic in the context of the overall study of the measurement of advertising effectiveness.

The main conclusions of this report (No.5) are itemised and augmented in the section "Synopsis of Reports".

A WORKSHOP ON ADVERTISING-RELATED TOPICS

A two-day "Workshop" was held, attended by about half the Committee of Sponsors. Several outside speakers were invited to participate and to present papers. Papers were also given by members of the sponsors' Committee. The research team presented one paper, which was literature-based, and tried to summarise the "state-of-the-art" on advertising measurement.

The topics discussed at the Workshop were loosely chosen, by myself, to represent those believed to be of current and/or topical interest to advertising management and research. The event was intended to be peripheral to the main line study, although some of those attending did not seem to appreciate this immediately.

THE DRAFT REPORT ON THE SECOND FIELDWORK PHASE

An initial progress report was prepared for a forthcoming sponsors' meeting. The report basically described how the information that had been collected was going to be analysed: it suggested a framework for analysis, but no actual analyses. At this point in time the research team had not commenced any analysis, mainly because their questionnaires had been slow in being returned. Essentially the report proposed examining objectives for advertising and the supporting information by

- (a) grouping like objectives together and looking for common causes; and
- (b) examining similar marketing situations

A comparative approach was being suggested, the outcome of which was speculative.

THE THIRD COMMITTEE OF SPONSORS' MEETING

The next Committee of Sponsors' meeting reviewed the reports that had been issued since the last meeting. The reports on "Advertising Processes" and "Expenditure Tests" were well received.

The draft report on the second stage of the fieldwork was not well accepted. Its apparent vagueness and lack of specific detail, or "results", gave rise to many questions on how the information that had been collected was to be handled. The Committee did not see that any definite result was likely to emerge. The research team were not able to forthrightly accommodate this criticism since the report presented a conceptual framework for analysis, which guaranteed no precise results. It was agreed that the objectives of this stage of the study should be more clearly defined for the next meeting.

THE REPORT ON "SETTING ADVERTISING OBJECTIVES" (Report No.6)

As a result of the sponsors' meeting, the research team clarified the objectives of their current work. This was centred round establishing how advertising objectives were set and used in practice. The next report contained a section which recapped the reasons for the approach which had been adopted to the collection and analysis of information relating to advertising objectives. This report also included a literature review on "Setting Advertising Objectives", since the research team had found that little seemed to have been written on this essential topic.

The final part of the report contained an analysis of the information collected during the second fieldwork phase, on objectives for advertising. This part of the report necessarily commenced with a definition of what was considered to be an advertising objective as opposed to a marketing objective, since, on the analysis of the data, it was apparent that this important distinction was not being made by most practising managers.

A REVIEW OF THE STUDY'S PROGRESS AND FUTURE PLANS (Report No.7)

The joint directors prepared a short report to summarise the progress of the study so far. The report also included details of other research being undertaken at Cranfield in the communications area. This indicated the range of activities and emerging areas of expertise. The report then mapped out an outline plan for the future development of the communications research that could be conducted after the completion of the current major study.

The document was intended to be for discussion and also to alert sponsors to the fact that the study had just entered its third and final year, and would be seeking refunding.

THE FOURTH COMMITTEE OF SPONSORS MEETING

This meeting mainly discussed the findings of the report on "Setting Advertising Objectives". In many ways it was the meeting at which most debate occurred. The main point at issue was that of the definition of an operational advertising objective as being "that which advertising alone can achieve, if necessary".

This statement provided a useful means of separating the many "advertising" objectives that the researchers had gathered, related to various products, into categories: advertising specific, and others, which were deemed "marketing" objectives. However, the definition was intended, by me, to be polemical.

Those members of the Committee who appreciated that the difference being claimed between the types of objectives was not necessarily just a semantic one, were concerned that, in practice, advertising was rarely able "to act on its own". They accepted that advertising on its own could create, for example, "awareness", but they stated that in practice awareness was normally aided by other factors like pack display, or the act of purchasing the advertised product. Hence, they asserted, the contribution of advertising "working on its own" would be difficult to isolate in practice. The researchers conceded that this might well be the case, but felt that the distinction they had drawn was an important conceptual one. It was agreed that the research team should appraise their definition of an advertising objective in the light of the debate that had occurred.

Another brief document was tabled at this meeting, at the instigation of Professor Wills, which set out the timetable for the reports that were to be produced during the rest of the study. The contents and the proposed timings were applauded by the sponsors.

An interesting innovation had been introduced at this meeting in that the research team made a presentation of Report No.6, rather than assuming everyone had read it. The main reasons for this innovation were that the report contained much information on the philosophy of approach to the study and also a wealth of initial detailed findings.

THE THIRD FIELDWORK PHASE

The research next embarked upon another round of interviews within sponsor companies. Wherever possible the researchers tried to talk to those who had been consulted during the previous fieldwork phase. Inevitably this proved difficult in at least one-third of the sponsor companies because of staff turnover. A year had intervened since the last fieldwork and so questions could be asked about how advertising plans (and objectives) had been implemented, and with what success.

In most circumstances, the researchers contacted the liaison person in each company, requesting that interviews be arranged with the marketing and research persons associated with the products, for which the researchers had established advertising objectives during the previous phase. Interviews were again loosely structured. The main information the researchers sought was that related to the evaluation of the advertising objectives: Hence respondents were asked:

- (a) how they had implemented their previous advertising plans
- (b) how successful they felt their advertising to have been
- (c) how they assessed the success of their advertising
- (d) what factors in the market place had changed since the last interview

- (e) what market research had been conducted on the product during the past 12 months, which might enable some assessment to be made about the success of the advertising and/or marketing activities

The respondents were also reminded of the specific advertising objectives which they had previously confirmed were those for the product. They were then questioned on the assessment of the achievement of these particular objectives, if they had not already specifically done so.

ADDITIONAL SPONSORS

During the course of the study, three more companies had joined the group of sponsors - two after the second fieldwork phase had been completed. They were visited separately, and products were chosen from within their range which most suited the sample already being used from within other sponsors. Advertising objectives were ascertained for these products via the same procedures as were used in the other companies. However, they were established retrospectively. Information was then gained on how these objectives could now be examined for their degree of achievement. Hence, the final sample consisted of 33 product "case histories".

A REPORT ON "SETTING ADVERTISING BUDGETS" (Report No.8)

As had been promised to the sponsors, a major report was produced on the setting of budgets for advertising (and promotional) purposes. The members of the sponsors' Committee who had proposed the need for this report were suspected, by me at least, of wanting a normative method to be derived. The report that was produced was largely literature-based, but did include some analyses of data on advertising levels derived from sponsors. These analyses were primarily to confirm the findings of previous studies by others. The purpose of the report was mainly to provide a reference document and source book on the topic.

The report is summarised in the section on "Synopsis of Reports".

REPORT NO.9

This report is to be an appraisal of pre-testing methods. It is being prepared by the other member of the original research team.

A REPORT ON THE EVALUATION OF ADVERTISING OBJECTIVES (Report No.10)

A major report was produced which presented, among other things, the results of the final phase of fieldwork: the examination of methods of appraising the achievement of the advertising objectives for the sample of products tracked over the two year period.

This report brought together the work done on establishing advertising objectives, and that on measuring the degree to which they were achieved. A summary of the findings of this report is given in the section "Synopsis of Reports".

THE FIFTH SPONSORS' MEETING

A two-day meeting/workshop was convened mainly to discuss the overall findings of the study. A major presentation of results was made by the research team. However, a programme was arranged which also consisted of two case studies on the need to set advertising objectives. Those attending the event were split into syndicates to discuss the cases: this part of the meeting was run very much like a course. Most sponsor companies were represented at this meeting.

The conclusions expressed by the Committee on the 10th report were that they were impressed by the quality of the work conducted, and by the apparent outcome. However, the acceptance of the report was probably best described as cautious.

THE CONTINUATION OF THE RESEARCH PROGRAMME

Subsequent to the above meeting, a further meeting of the Committee of Sponsors was held about one month later. This meeting was to discuss potential topics for further research, given that the main subject begun three years earlier was virtually completed. At this point in time, only four of the companies that had supported the study thus far, had indicated that they would definitely not be continuing for a further three years. At least one new organisation wished to join the group, and was present at the meeting.

Although this meeting technically did not relate to the main study just completed, it illustrates the continuing relationship that has been maintained with most of the original sponsor companies. The establishment of a further programme of research has allowed the research team to maintain contact with the companies upon which the research was conducted. Hence, the researchers have been able to gather "feedback" on the impact of the study performed.

There has been considerable overlap between the completion of the first project and the commencement of the new ones. It has spanned at least one year.

THE FINAL REPORT ON THE ADVERTISING EFFECTIVENESS STUDY (Report No.11)

The joint director of the project, Professor Wills, had committed to the programme of reports to be issued one entitled: "How we believe sponsor companies can usefully improve their advertising effectiveness as a result of the study we have conducted". This was to be the final report on the project. Its purpose was to present what were felt to be the important conclusions from the study, but these were to be presented in an easily assimilated form.

The research team were by now well aware that their reports were read only selectively within sponsor companies. It was suspected that the reports were not read at all in some companies, and that this was probably due to (a) a lack of time on the executive's part, and (b) the unattractive form of the reports.

It was decided, by the research team, that this final report should attempt to summarise each of the major findings onto one separate page. A list of topics was compiled from (a) the summaries of each of the

reports produced, and (b) subjective conclusions and observations about advertising practice derived by the research team from the fieldwork. It was also decided to try to illustrate each of the main points of issue by thumbnail case studies. I read through the interviews that had been undertaken during the past three years, and abstracted suitable examples.

This report is outlined in the section "Synopsis of Reports".

THE SIXTH COMMITTEE OF SPONSORS' MEETING

By now the research team had embarked on its next phase and a sponsors' meeting was held to discuss the specific topics for the continued collaborative research. The agenda did allow discussion on Report No.11 and it was apparent that it had been extremely well received. One of the main virtues seemed to be that it was a document that "I can show/give to my colleagues". This comment tended to come from the Committee members who were responsible for market research in their organisation.

One member of the Committee proposed that the identity of the products featured in the thumbnail case studies be revealed to the group. The research team agreed to circularise all sponsors identifying where their products had been cited in Reports Nos.10 and 11. Each sponsor was asked if he would like this example revealed to the rest of the sponsors. The research team stressed that it had never been their intention to have to reveal examples that had been anonymously cited. Most companies subsequently replied that although the examples revealed no competitive secrets, they felt that on principle examples should not be revealed. Hence, examples used in the reports have never been identified to anyone.

At this meeting, the research team proposed conducting research into three specific areas. The proposals were general in nature and only broadly indicated the sort of methods that would be employed, and the general form of results that might ensue. These proposals were endorsed. This was in contrast to the meeting of a little more than a year previous, when the draft of Report No.6 was discussed. The research team seemed given much more credence now, and this was probably due in no small way to the acceptability of Report No.11.

IN-COMPANY SEMINARS

During the next nine months, the research team, together with the research director, Professor Wills, were invited to give a series of one-day presentations to some of the sponsor companies. The presentations were centred around the material contained in Report No.11, the management oriented summary of the research that had been conducted. The presentations were usually given to a group of about 10 people from the marketing department of the sponsor company, and usually comprised the marketing director downwards. An agenda was usually agreed with the Committee of Sponsors' representative in the company, but the day's proceedings were encouraged to include debate on any of the issues raised.

In three cases, the sponsor company brought together personnel from several of its divisions to be present at the presentation/seminar. In these cases, it was the first exposure to the study for most people present.

These one-day meetings enabled the research team to gather informal feedback on the acceptability of some of their conclusions and observations. It also allowed them to observe how some of the principles they had expounded were interpreted by people in a variety of marketing circumstances.

A "glossy" version of the final report, Report No.11, had been produced commercially (under the title "Managing Advertising Effectively") and this was used for these presentations. A copy of what was now a small book was sent to each person attending the presentation, a week in advance. This was to enable them to read it, and raise any issues during the presentation. This rarely happened and most groups claimed to agree with most of the contents.

2.3 THE CONTINUING RESEARCH PROGRAMME

In the ensuing 15 months, the research team have been embarking on the next set of research topics. This has entailed further visits to sponsor companies to gather information. They have been interviewing marketing and research executives and this has provided the opportunity for further informal monitoring of the effects of the previous research study on company behaviour and attitudes. Observations on the effects of the overall study on sponsor companies are outlined in the section "The Effect of the Study on Sponsor Companies".

Chapter 3: SYNOPSIS OF REPORTS

3.1 INTRODUCTION

During the course of the study of the Measurement of Advertising Effectiveness, some 11 reports have been produced and one more is in preparation. The purpose of this section is to indicate the contents of these reports and to draw out the most salient points made in each.

The contents list, introduction and conclusions presented in each report summarise the material examined in each. Indeed, the later reports, from No.6 onwards, contain an Executive Summary, the aim of which is to encapsulate the report into one, or at most two pages. Consequently, the statements made here on each report will not repeat the summaries available in each of them. I have, therefore, attempted to indicate the key points emerging from each report, which have influenced the course of the study, or have helped form some of the conclusions to the study. I have also presented further conclusions from the reports which, with hindsight, I believe are germane to an appraisal of the study.

3.1.1 The Purpose of the Reports

As mentioned in the section on THE RESEARCH METHODOLOGY of the study, the reports that were produced were to serve different purposes throughout the course of the project. Hence, just as the study evolved, so the reports have evolved through the broad stages of:

- i: field reconnaissance reports
- ii: literature reviews to appraise recommended
theoretical approaches and learn of previous
exercises
- iii: guides to the use of special techniques
- iv: reports on the empirical work
- v: overall progress reports and summary of the overall
findings

It is important to remember that the reports were not the only means of communicating with the sponsor companies. There were also group meetings and meetings with individuals from each sponsor company - as has been outlined in the methodology section. The reports do represent the formal record of the progress and, to some extent, the outcome of the study, but they should be seen in the fuller context of the total conduct of the study.

3.1.2 The Style of the Reports

The form and style of the reports changed both with time and with the nature of the material they were presenting. Early in the course of the study, the sponsor group requested that the reports, and particularly the literature reviews, should be more selective and, wherever possible, should indicate normative behaviour. Later reviews, particularly Report No.4, attempted to be more selective and to use material based on empirical work. An Executive Summary was introduced into each report to cater for those in the sponsor group who wished to quickly capture the gist of the report.

It is interesting to note that the company which was generally judged by the research team to be following exemplary behaviour in its advertising management, also had charged its research manager to make synopses of our reports, as they applied to their business, for dissemination to all marketing executives. This company is the only one to follow this practice.

3.1.3 Authorship

Of the 11 reports produced on the study so far, I have either exclusively produced or had a joint responsibility for all but two. I prepared and wrote exclusively Reports Nos: 2(ii), 5 and 8. I did not prepare or produce Report No.2(i), and this was written by the other member of the research team.

The progress report, No.7, was prepared by the joint directors of the project, although much of the supporting material was produced by the research team.

Reports Nos. 1, 4, 6, 10 and 11 were produced collaboratively by myself and the other member of the research team. The structure and broad contents of the reports were jointly agreed while the specific content and material presented in each section was the prerogative of the research team member who wrote it. In the chapter entitled "Synopsis of Reports", some elaboration is made on the reasoning for the content of the reports, particularly for the sections which I wrote. For example, in Reports Nos. 10 and 11, a series of small case studies are presented, which were prepared by me for the reasons explained in the "Synopsis" chapter.

3.1.4 Confidentiality

All the material presented in the reports has been cleared for publication by the group of sponsor companies. As mentioned in the methodology section, every sponsor has the right to veto any material in a report that he thinks contravenes his commercial secrecy. The research project has, however, been conducted on the condition that all the research reports can be published once they have been approved by sponsors, after an embargo of a minimum of six months.

3.1.5 Occasional Papers

As well as the reports related to the main project, there have been a series of papers produced on peripheral topics. These papers have been prepared in connection with M.Sc. and Ph.D. theses by students working with, and under the direction of, the main project research team. All sponsor companies received copies of these papers. I have also produced two case studies on the use of direct mail promotional methods.

3.1.6 The Reports

The full list of reports produced for the project is given below:

Report No.1 : The Identification of Current Company Advertising Practice

- Report No. 2(i)* : The Pre-display Assessment of Advertising
- Report No. 2(ii)* : The Post-display Analysis of Promotional Effectiveness
- Report No. 3* : The Research Plan for 1973 and an Appraisal by the Committee of Sponsors
- Report No. 4* : A Review of the Literature on the Processes of Advertising
- Report No. 5* : An Appraisal of Media Weight Tests
- Report No. 6* : Setting Advertising Objectives
- Report No. 7* : Review of Progress to Date and Outline of Plans for Development up to 1977
- Report No. 8* : The Setting of Advertising Budgets
- Report No. 9* : A Handbook of Pre-testing Methods (in preparation)
- Report No. 10* : The Evaluation of Advertising Objectives
- Report No. 11* : How we believe sponsor companies can usefully improve their advertising effectiveness as a result of the study we have conducted

Occasional Paper

- No. 1⁺* : The Pattern of Advertising Research
- No. 2^{*}* : Approaches to Media Scheduling
- No. 3^{*}* : Communication as Information
- No. 4^{*}* : A Review of Methods of Evaluating Behavioural Response to Advertising
- No. 5^{*}* : A Review of Direct Response Advertising and an Analysis of a Particular Campaign
- No. 6* : Advertising and Forgetting
- No. 7* : Advertising Effects on Distribution

⁺ jointly authored by me

^{*} supervised by me

3.2 Report No.1: THE IDENTIFICATION OF CURRENT COMPANY ADVERTISING PRACTICE

This report presented the findings from the research team spending on average two days with each of the sponsor companies. The team had gone out to observe how advertising activities were planned and researched in the operational context of the business environment. The purpose behind this fieldwork is described in the methodology section.

Comments on Conclusions: Some of the formal conclusions cited in the report and thought at the same time to be salient to the study were:

- (a) No company seemed to be operating a total communications approach in their marketing activities.

By this was meant that companies, by the way they claimed to make decisions, were treating advertising and other alternative promotional activities, as separate, somewhat isolated activities. Decisions on how much to spend, and even when to spend it, on different promotional vehicles were considered independently since there seemed no method of calculating the effects. Different promotional vehicles were judged to be best for achieving different purposes and not to be interchangeable.

- (b) Most companies seemed to be adopting as measures of advertising effectiveness, variables which reflected the apparent state of mind of consumers (and/or non-consumers) towards the advertised product or service.

Operationally, most companies seemed to use such measures as the basis for planning what their advertising should be saying. Less use of such measures was made for overt assessment of advertising performance, but since the next year's campaign was planned using these measures, they did seem to influence changes in the form of advertising and, therefore, by implication had been used as an assessment of effectiveness.

The decision of how much to spend on advertising was almost always admitted to be unsatisfactorily made by executives in the sponsor company. No conclusion was expressed in the report on this.

(c) The main activity of market and marketing research in sponsor companies is to help describe

i: the state of the company in relation to its customers

ii: the state of the company in relation to its competitors

This conclusion was actually a quotation from the description of market research given by one of the sponsors' market research managers. It did, however, succinctly identify how market research was seen in almost all of the other sponsor companies. No company seemed to view market research as providing information for decision making. In several companies, the market research department had its own budget and did the research it deemed appropriate to the company's needs. In Report No. 1, we attempted to identify the sort of role the research function fulfilled to highlight this disparity. In almost all of the fast-moving goods companies, the marketing managers allocated funds for research from their budgets. It was in the capital goods and/or the nationalised industries that research departments had their own separate budgets.

(d) Research and development in the marketing research area is not being undertaken by many companies directly.

Somewhat to my surprise, we found that the marketing research capability in most companies was very small. The research function was mainly a data producing service and fulfilled the role identified in (c). The resources available for any speculative research or the development of techniques seemed minimal. Any development work that was conducted was done by research agencies or individuals, partly in their own time. In practice several of the companies seemed only too eager to embrace new techniques suggested by research agencies. It was seen that in several cases these techniques were at a development stage and that the company contracting to use them was probably paying for development work. Only

one company overtly recognised this and claimed that it felt it was cheaper to "sponsor" such research and development than to undertake it under its own roof.

Consequently, the reconnaissance in each company did not unearth much in the way of privately developed expertise, methods, or "breakthroughs" in advertising research generally, or effectiveness measurement in particular.

- (e) A preference for small-scale qualitative research methods to examine many varied (advertising and marketing) problems was expressed by many companies.

This conclusion somewhat reflected the researchers' expectations that large companies would be conducting elaborate expensive research. This expectation was derived from American marketing literature and previous exceptional experience. The conclusion was also a function of the sample of sponsor companies.

- (f) Examples were found where (marketing) models had been constructed of markets, and which included the quantitative effect of advertising on sales.

This conclusion was included because of the special interest of one of the research team. Four case studies were found of the construction of such statistical relationships between advertising pressure and sales, or market share, outcomes. Two of these models had actually been put to the test by using them to forecast and then verifying the accuracy against actual outcomes. These were in small markets with only one major brand, and perhaps, little risk. Opinions on the veracity of the other two models observed were very divided in their respective companies. They had been tested on past data only - the data from which they had been derived - and this was causing doubt among the more scientifically minded.

- (g) In many market circumstances, but not all, the non-media promotional effort is planned and executed separately from (display) advertising.

At the time of the reconnaissance (1972) many of the fast-moving goods companies visited were very active in the field of consumer promotional offers. These were not "money-off" price cuts, but tended to be of the type where extra household goods could be obtained either free or at discount (sherry glasses, etc.) or were competitions. Several of the companies visited had recently set up special departments, or designated a new management position, to run and control these activities. At first sight, it appeared that these new functions, by being removed from the brand managers' responsibility, divorced them from the advertising activities. Indeed in one company we learnt of a promotional activity which was counter productive to the advertising aim.

However, by the time of the 1974 visits, all of the companies had fully integrated their promotional activity into the marketing planning and control. However, there is normally no formal check or research to test the compatibility of a promotional item on the advertising theme.

(h) Emergent areas for more detailed work.

A list of some 20 topics was presented in the report as being a summary of issues that the research team felt were needing attention. It was suggested that this list should, in conjunction with the literature reviews, form the basis for the future schedule of research. The list was the result of three influences:

- i: topics mentioned frequently by people in sponsor companies (eg: advertising and the growth of own-label products)
- ii: the research team's perception of common problems across all the sponsor companies (eg: setting objectives)
- iii: the research team's personal interest in certain topics (eg: I have always wanted to check the Zielske experiments on the remembering and forgetting of advertising and this topic appears on the list)

Further Observations on the Report:

Organisational Structures: In the section of the report where the research team tried to indicate the varied nature of company organisations, no standard classification of industries was used. These classifications (SIC codes, etc.) tend to be constructed on particular bases for special purposes. The research team were aware that the importance attributed to advertising (in terms of the number of people involved and their seniority and apparent influence on total company activities) seemed on first sight to vary with the nature of the products. In an attempt to examine this rather vague notion, companies were classified into those with either "simple" or "complex" product ranges. These were distinguished from each other on two criteria:

- (a) the divergence of raw materials used
- (b) the diversity of end uses of the products

Hence a "simple" product company was said to be one that used only one or two basic raw materials, and produced products that satisfied one or two basic needs. For example, the coal industry was classified as being a "simple" industry.

This attempt at a classification of companies was not wholly satisfactory. It is indicative, however, of the realisation early on in the study that different environments (both market and organisational) seemed to give rise to different attitudes towards advertising and the way it was managed and put into practice. It was suspected, at this time, that this too may have an impact on the effectiveness of advertising and could not be ignored in any study of the subject.

Throughout the rest of the study, the environment in which advertising is managed has been logged and forms part of the final analysis. Later on in the study, in Reports Nos. 6 and 10, other criteria for classifying products are used to examine whether products in similar situations have similar advertising purposes.

Rationale for Advertising: In the section on the "Rationale Underlying Advertising", a summary is given of the main reasons for undertaking advertising given by people interviewed in all the sponsor companies.

Several important conclusions and observations can be drawn from this section.

Given that various different reasons were given for conducting advertising campaigns by people in different companies, one can deduce that there are likely to be different objectives underlying different campaigns. Consequently, it is probable that different evaluation criteria are likely to be appropriate for the different objectives. In effect, this hypothesis was subsequently examined in the empirical work. In Report No.10, the way in which different objectives are used by different products is set out, together with the way these objectives can be, and are, evaluated by the many, different methods. In Report No.6, a section is devoted to examining how executives beliefs about how advertising work relates to the sort of advertising objectives they set, and the way they use advertising.

This part of the report produces many propositions about the use of advertising, which one could examine in greater detail. For example, some executives stated that one of the reasons for advertising was that "the risk of stopping is too great". For the products that they managed one could, for example, have examined their advertising expenditure against that of the products they considered as competitors. But one would have to probe deeper to ascertain what risk these executives were perceiving and how they rated these risks. One would have to try to find out which sort of markets, or organisations, were felt to be in high risk situations, and how this reflected itself in the extent and purpose of advertising. This issue is, to some extent, followed up in the analyses in Report No.10 where advertising objectives were examined, at my instigation, against the competitiveness of the market situation.

One of the characteristics that was noticed about executives' views on the purpose of advertising, was the lack of their specifying time spans for the achievement of objectives, and also the lack of quantification of objectives. Images of the product were hoped to "improve" but no figures were quoted of how much "improvement" was looked for.

In contrast, however, the results of advertising were generally looked for in quantitative terms. This seemed, at the time of writing the report, as contradictory behaviour: quantification was not necessary for the objective of the exercise, but it was for evaluating the results. This inconsistency and the reasons behind it were very much part of the early empirical work on the sample of individual products.

Non-media Promotional Practice: All those items that were considered promotional but not involving direct display or broadcast media, were classified as non-media promotional activity. One observation that further highlighted the need to con-

sider, or appreciate, organisational factors in any research of this nature, was that in some companies the research department disdained the use of certain commercially provided information for evaluating promotions, but nevertheless, their marketing managers were only too pleased to use it.

Media Practice: Media practice is defined comprehensively in the report to encompass the decisions that have to be made when planning advertisements in the main media, assuming the objectives and creative strategy have been decided.

It was remarked in the report that many products were advertised in one medium exclusively, and that in the examples observed, this medium was television. In Report No.10, this point is illustrated in Table 7, which shows the medium used to advertise each of the empirical phases of the study.

The setting of advertising budgets was agreed, by most executives interviewed, to be unscientific, or governed by well-established facts. This whole subject area was examined in depth later in Report No.8. During the reconnaissance stage reported in the first report, it was noticed that often if sales declined, or were expected to decline, the advertising expenditure almost invariably declined as well. Marketing textbooks admonished that this was foolish. Later in the study when product histories were examined in depth, sensible reasons for this apparently illogical behaviour were sometimes found. This sort of finding vindicated the stress placed during the study on the need to understand the full marketing background when studying advertising decisions.

Campaign Change Frequency: Another observation reported in Report No.1 was that those companies who changed their advertising (and/or their agency) frequently, seemed less satisfied with the results than those who maintained fairly consistent advertising formats. This point is examined in the results of the study, in Report No.10, where it is suggested that some objectives are not achieved quickly. Consequently, those who try to achieve them quickly are likely to be disappointed. However, this point again emphasises the importance of the organisational structure or environment in which advertising is planned. The companies which gave the impression of being in control of their markets or situation, tended to be those who changed advertising less frequently. In fact they seemed to have less problems in the market place than those who

changed the nature of their advertising campaigns frequently. This point is not systematically examined elsewhere. The Table below, however, does suggest that the major influence on the perception for need to change advertising frequently, is dominance in the market place.

TABLE II: Changes in Campaign Format Related to Market Dominance

(a)	No. of products for which campaigns have not been changed 1972-75	6
(b)	No. of (a) type products which have greater than 30% market share	6
(c)	No. of products which changed their campaign in each year 1972-75	11
(d)	No. of (c) type products with greater than 30% market share	2

The products used in this Table are those forming the sample upon which the later empirical work was undertaken. By change in advertising format it is meant here that the basic conception of how the advertising should be presented was changed; in other words, an annual appraisal of advertising resulted in a change in creative treatment as well as, in some cases, a change of agency and media mainly employed. There are marketing reasons for changing the objectives for advertising over the years, and examples of these may well be included in the Table. For example, the objectives for new products will change as they become more established.

Research Undertaken: Media research was not covered in the report on the reconnaissance. Many companies were concerned with media performance in terms of the ability to deliver advertisements to an audience. The research team deemed that this topic of research was largely seen as the prerogative of advertising

agencies. An occasional paper was written by one of the doctoral students to examine this area, and so provide some critical appraisal of the issues involved.

The wise use of the media and the audience reached could influence advertising effectiveness, but the study tried to concern itself, initially at least, with strategic decisions in advertising and their impact on effectiveness. It was deemed that media scheduling was a tactical decision by and large, and research into ways of evaluating schedules was not of prime concern to the project.

Some qualitative comments about research activities are made in this report. In Report No.6, some details are given, in Appendix 2, of the amount of resources devoted to market and advertising research in relation to company turnover and profits. However, such statistics relate to total company activities and not individual products, and the figures are not on a wholly consistent basis from one company to another. No obvious relationship was observed and from qualitative information it seemed that organisational "policy" and the personnel involved, were as influential as anything on the extent of research undertaken in any one company.

Conclusions: Apart from conclusions stated in the report, the broad message prevalent throughout the report is that in general advertising as planned and conducted by sponsor companies was found

- (a) to be believed to work in different ways (in different marketing circumstances)
- (b) to be used for different purposes (in different marketing circumstances)
- (c) not to be assessed for effectiveness by any consistent set of methods or procedures
- (d) to be influenced by the environment in which it was managed

Consequently, it was begun to be appreciated that arguments about the "goodness" or "badness" of campaigns, or the "rightness" or "wrongness" of advertising assessment methods, were impossible to resolve without knowing the full purpose of the advertising. An extreme example of this need was illustrated in one sponsor where a campaign, apparently

aimed at consumers, had been run as much to reassure the very large company staff as to recruit new business. It would have been difficult for outsiders to judge the suitability of this campaign without knowing the full purpose.

3.3 Report No.2(i): A REVIEW OF THE LITERATURE ON THE PRE-DISPLAY ASSESSMENT OF ADVERTISING

I did not prepare this report. It was part of the programme of literature reviews undertaken within the overall study. It is included in the material presented here for completeness, and to demonstrate the range of topics covered in the study.

As noted at the beginning of the methodology section, the original conception of the total study was to examine pre-testing methods for advertising. However, discussions with sponsors and the preparatory work for the study's commencement, broadened the scope to that of examining the measurement of advertising effectiveness both before and after an advertisement or campaign was run. The original concern expressed by Professor Henry, for the need to examine pre-testing methods, was that claims had been made in the past for their ability to predict, among other things, the sales generating power of an advertisement. Consequently, the review that was conducted attempted to produce, from the literature, an overview of the role and purpose of pre-testing as well as any evidence for predicted properties.

The definition of a pre-testing method was meant to include any procedure that attempted to appraise the capability of an advertisement to achieve a particular objective before it was displayed to the total audience in a medium. The report did actually examine the 24-hour recall method, which attempts to ascertain the responses to an advertisement very soon after its actual use in a mass medium. However, its purpose is the early assessment of an advertisement, and in the literature it is usually classed as a method for producing early diagnostic measures.

The report also included a brief mention of concept testing for advertisements and new products. The methodology employed is often

similar to that of pre-testing and it was included in the report to distinguish the different purpose for which it is used.

Contents: As stated in the "Purpose of the Review", published material from 1960 onwards was examined. Predominantly the material came from the *Journal of Marketing Research*, the *Journal of Advertising Research*, and the *Journal of the Market Research Society*. Pre-testing techniques (and associated companies) have come and gone over the period, sometimes leaving no trace in the regularly available literature. Hence it was not possible to unearth material describing all the methods that have been proposed and/or used during the last decade or so. The report that was presented to sponsor companies, therefore, tried to examine the broad methodological approaches that seemed to be potentially available. This information was drawn mainly from a few, seminal articles on the subject that had appeared in the period reviewed.

Subsequently, the MCRC instituted a sample survey of advertising and consumer market research companies in the UK, to ascertain the methodologies that were used to pre-test advertisements for press and television media. The results of this survey (done by an MBA student under the MCRC's supervision) are not included in the material presented here. However, the survey showed that the number of different methods used were very few, and that their purpose was very much less ambitious than the earlier literature suggested. Mostly, pre-testing was being used as a final stage check that advertising contained no "negatives", i.e. any aspect that was felt likely to cause an unfavourable negative reaction to the advertising. Group discussions of advertising were the most frequently used technique. The MCRC is currently producing a much more contemporary assessment of currently available pre-testing methods (Report No.9).

On page one of the report, the question of the purpose of pre-testing is introduced. It is interesting to examine the extent of pre-testing activity for a product against the size of the advertising budget for the product. One might hypothesise that the larger the budget, the more there was at risk, and the more careful any pre-testing might be. From the information subsequently collected on the 33 product case histories, as reported in Report No.10, it is possible to examine this suggestion very approximately.

From Tables 7 and 8 in Report No.10, one can see that the advertising campaigns of seven products were not formally pre-tested. By "formal" is meant a specific piece of research devoted solely to the examination of an advertisement. In some cases, companies examined a

new product, or a new pack, in group discussion research, and also showed the advertisements for the product and gathered comments on the advertisements. This sort of multiple purpose activity was not deemed, for this analysis, to be formal pre-testing.

The average size of advertising expenditure for those products conducting formal pre-testing was £392,000, whereas for those not formally pre-testing it was £323,000. This is not a significant difference, either statistically or commercially. It suggests that there are many other factors which influence the degree to which advertisements are pre-tested. It is, however, noticeable that out of the 33 products, only nine used the press as the main medium. Of the seven products which did not have advertising pre-testing, four were those using press media predominantly. The sample sizes are too small to make any conclusive statement, but one might surmise that the extent to which pre-testing is used to check advertising may be a function of the media predominantly used. This in turn is probably a function of the type of advertising conducted, or, more particularly, the objectives of the campaign.

The extent to which any measures taken during the pre-testing of an advertisement may be predictive of future behaviour, is surveyed in the report. Of particular interest is Axelrod's study of the sensitivity, stability and predictive power of 10 possible measures that could be obtained from samples of respondents exposed to a product stimulus (eg: advertisements). This is reported on pages 14-17 of the report. Other such studies and reviews of such measures are further examined in Report No.4 (eg: studies by Rothman and Holbert).

Another perennial issue occurring in the literature was that of the relevance of "recall" measures. In the report, pages 33-34, the various studies illustrating the other influences on recall scores are indicated, and include such things as: programme liking, education level of respondents, age and product usage. It is reported that 56% of the variation in recall scores for a particular set of advertisements could be attributed to the above four influences, together with whether the respondents saw the whole programme containing the advertisements.

Conclusion: This review contained brief conclusions. However, main findings indicate that pre-testing is not most sensibly used to predict success for the advertised product in the market place. The unreality of the test situation and the lack of repeated viewing restrict the purpose of the test to that of gaining reactions to the advertisements from a sample of the potential

audience. Measures relying on recall of the advertisement, either on test showing or after exposure in the media (eg: 24-hour recall) are indicated to be subject to many other environmental and personal influences.

All in all, it is suggested that the most valuable roles for pre-testing are those of

- (a) checking that communication objectives are being achieved in a small sample of the potential audience
- (b) diagnosing possible causes for the poor communication of objectives from the recording of other reactions to the advertisements

3.4 Report No.2(ii): A REVIEW OF THE LITERATURE ON THE POST-DISPLAY ANALYSIS OF PROMOTIONAL EFFECTIVENESS

Introduction

The emphasis of this report was to appraise those reported studies which purported to show a quantitative relationship between amounts of advertising and the market performance of the advertised item. Mostly these studies used aggregate measures of advertising "pressure" such as gross expenditure in the display media, or share of total product category advertising expenditure. Measures of response in the market place were usually taken to be sales levels or market shares of the advertised product. This emphasis was influenced by the observation that in the marketing and marketing research literature in the period 1960-1971, the predominant number of studies reported were of this nature.

There seemed to have been two phases: the initial phase of the discovery of quantitative techniques, such as multiple regression, and their application to the advertising-sales relationship problem; and then the following phase of a critical appraisal of the validity of

the approach. Another influence on the selection of this material was the background and interest of one of the research team, having been in operational research.

This report was produced in parallel with the one on pre-testing methods. Both were an appraisal essentially of techniques and approaches to *measuring* advertising effectiveness and they were appropriate to the early stage of the project. Had either, or both, of these reports been able to present unequivocal evidence that the measurement of advertising effectiveness was straightforward, this would have altered the course of the study.

During the initial reconnaissance, it was noted and reported in the first report, that few companies possessed in the marketing department, their own expert in quantitative approaches to marketing analysis. Hence, this review of the quantitative approach to advertising assessment was also to provide a reference document and guide for sponsors to the potential utility of this overall approach.

In the "Introduction" of the report, it is claimed that "little published material was found dealing with non-media promotion effects and, similarly, little progress seems to have been reported on the effects of promotional (either media or non-media) efforts on the disposition of the consumer, eg: changing attitudes or beliefs". This is quite a sweeping statement and needs some clarification and quantification. Non-media promotion was meant to refer to all promotional activity excluding display advertising in the main media; however, when the literature search was conducted, the topics looked for under this heading were mostly assumed to be related to *consumer* promotional activity, eg: free gifts, money-off offers. The search was also directed at discovering any studies which claimed to offer normative findings. The report does contain a review of those few studies that were found to report approaches to measuring non-media promotional efforts.

The suggestion that little progress had been reported on what was the attitude-behaviour link was somewhat pejorative. Again, studies indicating specific findings for direct marketing use were being sought and although many discursive articles were found, not many offered normative advice. However, this whole subject area was examined much more fully in a later report, Report No.4.

Observations on the Report

- (a) The need for measurement: philosophy of approach: The report noted (on page 3) the lack of any studies offering advice on the way the total promotional or communications effort could be allocated among different promotional tools, eg: media advertising, below-the-line activities, salesmen. This seemed to confirm the observation that in practice a total communications approach was not undertaken.

Early in the report, the importance of the need for advertising objectives is stressed if any measurement is to take place. Also the *purpose* of measurement is stressed: "There are of course two approaches to measuring the achievement of an objective: one which is concerned only with assessing success and failure, and one which also gives reasons for success and failure". I believe that many of the arguments about the validity, or usefulness, of particular measurement or appraisal methods in advertising (and marketing) management could be resolved if such techniques were appreciated to be for different purposes. Hence, some of the approaches advocated for assessing advertising performance suggest collecting information at several points in the marketing system, including the consumer. By doing so, they provide information to help understand the total process of which advertising is a part. A measure taken at one part of the system is not likely to be able to signify how changes in another part of the system may influence the measurement observed.

It is also noted, early in the report, that "change in advertising input" is usually taken to mean change in advertising expenditure, in the quantitative studies reported in the literature. However, "change" could also involve a change in message content or message presentation (media used) or the scheduling or pattern of message presentation. Very few studies seemed to examine the effects of change in advertising to the level of detail beyond change in expenditure. The ability to detect the effects of changes other than in expenditure is examined in Report No.5.

The arguments, in the literature, for and against the use of "sales" measures are summarised on pages 6 and 7 in the report. However, they resolve into the basic question of whether management needs to understand the reasons that may give rise to a particular sales outcome. Sales measures do not usually allow diagnostic assessments to be undertaken.

The importance of definitions in any study of measurement methods is emphasised on pages 7 and 8. It is noted that definitions must fulfil two criteria: one of meaningfulness and the other of operationality. The observation is made that in advertising assessment research, one must choose measurement methods appropriate to the definition of the problem (or objective).

- (b) Techniques and approaches: Initially the experimental approach to determining the effect on market performance of changes in advertising expenditure was examined. In the report it states that 20 examples were found of the use of the experimental approach. It must be stressed that these were examples in the literature, and not within the group of sponsor companies. However, it had been found in the reconnaissance fieldwork that sponsor companies were much less successful in their use of advertising expenditure experiments in the market place than the literature suggested they should be. The reasons for this outcome were examined in a separate report, Report No.5.

As well as noting some of the reasons for success in measuring advertising effects, Report No.2(ii) also pointed out that the successful cases presented in the literature usually related to somewhat special circumstances; for example, durables, commodities and new products, and particularly products that were not normally heavily advertised. In other words, those situations where the circumstances could be seen as being favourable to the detection of a major effect on sales due to advertising.

Later in the report, the methods of trying to relate aggregate sales changes to aggregate advertising inputs are examined. It is generally concluded that this is not a straightforward exercise in most circumstances. Many of the instances of apparent success, reported in the literature, are either for simple markets or the results are not, in fact, as conclusive as their authors suggest. In fact, it seemed that very, very few conclusive results were reported for the relationship between advertising and sales in any market where there were more than two advertised competitors. Typical of the exercises which demonstrated that simple formulas were not adequate is that report by Samuels (1970) referred to on pages 19 and 22 of the report.

A technical point not mentioned in the methodological part of the report on brand share models is that predictions for each

brand's share of the market must sum to unity. This is a constraint that is rarely applied to the exercises reported in the literature prior to 1971. Usually in the reported studies, a "model" is derived which relates changes in one brand's share of the market to changes in other market mix elements, such as share of advertising expenditure. A check on the consistency of any such model is that models of all brands should be derived and the estimates, from the models, of each brand's share of the market in any time period must, logically, sum to unity. Non-advertised brands or other competing products must also be included, or the size of the market being competed for by the advertised brands must be altered to allow for them.

Another technical check that is not mentioned specifically in the report is that any claimed model of a market should be robust enough to be derivable from any similar data on the market. Hence, if a model is derived on sales and advertising data over a particular period of time, the same model, in form and parameters, should be derivable if some of the data is excluded. If this test is applied to many models which are reported in the literature, the form of the model and particularly the magnitude of the parameters usually changes, casting doubt on the accuracy and validity of the model. Strictly, only if such models are put to the test via experiments in the market place can they be deemed to have any validity.

The report did attempt to appraise a comprehensive set of approaches to relating advertising inputs in quantitative terms to market performance outcomes. It, therefore, also appraised studies conducted on records of individual purchases and advertising media exposure. Mostly these sorts of exercises attempt to describe what appears to happen at similar points in time to two variables: advertising and behaviour. Apparent causal links are sought. These exercises attempt to explain the observed phenomena by the plausability of the apparent causal relationships (correlations) that may be derived through statistical analysis. One particular approach, however, that of microsimulation, attempts to produce "a working analogy of the market" and through the generation of "many (simulated) case histories" it is hoped that one can understand something of the workings of the market process that is simulated. Although an attractive proposition, the resources required to produce such models seem beyond those which companies are prepared to invest. Few suc-

cessful microsimulation models, which allow advertising's effect on market performance to be assessed, have been reported in the literature.

Conclusions

The broad conclusions of this report, as stated on pages 54-55, are that advertising's effectiveness can in some circumstances be assessed through changes in such aggregate measures as sales or market shares. However, the conditions under which this seems to be possible are very crucial.

From the literature it is suggested that the most conclusive examples of the use of aggregate techniques for detecting advertising effects are found in the following marketing situations where:

- (a) one product, or brand, in a small market is the only major advertiser
- (b) one product, or brand is the only advertiser in a large, mainly commodity, market
- (c) a new product is being launched
- (d) in fewer cases, there are at most two advertised products in a market

In general, as the number of advertised products increases in the market and the market process becomes more complex, it becomes increasingly difficult to detect the contribution advertising makes to the market performance of a product.

The indications for the progress of the study were that:

- i: simple analysis methods showing the relationship between advertising and sales are likely to be of limited application
- ii: the marketing circumstances of a product are likely to influence the ease with which one can detect advertising's contribution to market performance

- iii: advertising has a most direct effect where it is expected to have the most direct effect and is used for this purpose. Therefore, advertising is used in different ways for different purposes and for many of these should be expected to have a less direct effect
- iv: different purposes for advertising are likely to require different assessment procedures

3.5 Report No.3: THE RESEARCH PLAN FOR 1973 AND THE APPRAISAL BY THE COMMITTEE OF SPONSORS

The purpose of this report and the derivation of its contents is fully detailed in the methodology section - the research plan. Essentially the report set out how the research team believed the study should progress. This belief derived from the reconnaissance fieldwork, and the findings of the two literature reviews, i.e. Reports Nos.1, 2(i) and 2(ii)..

The report advocated that the setting of advertising objectives should be the focus of all future research. The assessment of advertising, it was asserted, had to be related to the purpose of the advertising. To appreciate the purpose, one must understand the market to which the advertising is addressed and the way in which a particular product's advertising and marketing is managed.

The actual report as finally published, included the minutes of the sponsors' meeting called to discuss it and the previous reports.

3.6 Report No.4: A REVIEW OF LITERATURE ON THE PROCESSES OF ADVERTISING: "How Advertising Works"

Introduction

In the two previous literature reviews, it had been stated that it was not a straightforward and brief exercise to summarise the literature

on "how advertising works", and in particular the influence of advertising on the relationship between attitudes and behaviour. The research team felt that some sponsors were aware of some commercially available "models" which purported to determine the way in which attitudes were related to subsequent behaviour and how advertising might influence the attitude levels. Although during the reconnaissance stage these sponsors had indicated their interest in having such "models" critically appraised, the research team felt it important to put such models in the wider context of the market place. Any such models, it was argued, would be bound to be abstractions from the real world. It would be important to appreciate the many influences on consumer behaviour so that the assumptions that may be made in any model could be understood by potential users.

Hence, the research team resisted the temptation to examine only the technicalities of advertising-attitude-behaviour models. Instead a review was attempted of studies which indicated the way in which the marketing and/or situational environment appeared to effect the influence of advertising on its intended objectives.

Comments on the Content

The report is comprised of 13 self-contained sections. The 13 topics were those chosen by the research team to represent the most frequently written about in the literature, or most frequently mentioned by sponsors as requiring investigation and appraisal.

The first long section was written by me and was an attempt to summarise the main factors thought to influence the performance of advertising in the market place. This section followed much the same structure as that used by Joyce (1968) in "What do we really know about how advertising works?", but tried to add further and more recent material.

The subsections of this first part of the report included reviews of:

- Models proposed to describe the advertising process
- Other theories pertinent to the overall process
 - stability theories
 - reinforcement
 - cognitive dissonance
 - attitudes - usage
 - needs
 - brand image and rational choice

Hypotheses and conclusions

- word of mouth processes
- involvement
- liking
- benefits
- company images
- the consumer viewpoint
- principles of communication

The other 12 sections of the report were on the following broad topics:

- 2: Persuasion
- 3: Perception
- 4: Source Credibility
- 5: Truth in Advertising
- 6: Cognitive Dissonance
- 7: The Distraction Hypothesis
- 8: The Use of Fear Appeals
- 9: Personality
- 10: Relating Brand Choice to Attitudes
- 11: The Influence of the Medium
- 12: Subliminal Advertising
- 13: Some General Thoughts on Attitudes

As well as the first section, I wrote sections 5, 10, 11, 12 and 13. It is not sensible to try to summarise the very many points made in the report since the report itself presents summaries of very many papers and books. It consists of a pot-pouri of topics drawn from the literature of the experimental and social psychologist, as well as of the practitioner. It nevertheless reflects those topics thought by the research team to be interesting and useful background, or reference material for the sponsors and themselves.

For example, several members of the sponsor companies requested that "cognitive dissonance" be explained in such a document. The term, and indeed the theory, had been prominent in marketing literature and parlance some years previously. As mentioned in the methodology section, the overall nature of the study was collaborative. The research team were perceived by the sponsors to have the time to examine the literature, as well as assess it. Hence, the inclusion of an item, like cognitive dissonance, was there for possibly two reasons: relevance, as perceived by the researchers; and relevance or interest as requested by some sponsors.

The report, therefore, represents a compendium of reference material for the future use of both the research team and the sponsors.

The most important conclusion for the overall study was that the environment in which the advertising is taking place is likely to influence the degree to which the advertising will achieve its objectives. Indeed, the environment will influence the way in which the advertising can be thought of as achieving its objectives. By "environment" one means such things as the nature of the audience addressed, their situation, the nature of the medium and the other influencing factors summarised in the 13 sections of the report. Consequently, the report stresses that in order to gain an understanding of the way in which advertising may be thought to have its effect in a market, one must understand the important elements in that market which have a bearing on the consumer decision-making process.

3.7 Report No.5: AN APPRAISAL OF MEDIA WEIGHT TESTS

Introduction

In the literature, as had been reported in Report No.2(ii), it was often recommended that the affect of advertising expenditures could be ascertained through the use of experimental levels of advertising in different geographic areas. The reconnaissance fieldwork summarised in Report No.1, showed there to be a great disparity between "textbook theory" and observed practice. Only two out of 40 attempts at such exercises within sponsor companies produced conclusive actionable findings. The purpose of this report, therefore, was to examine why such failures might occur and to suggest how such exercises should be conducted to ensure a greater chance of conclusive outcome.

A more meaningful title to the report might be: "An appraisal of area advertising expenditure tests". The textbooks tend to call such exercises "experiments" but I prefer to use the word "test", since I feel that the connotation of "test" is more appropriate. Experiment has connotations of conditions being strictly and systematically controlled, whereas "test" suggests rather that an idea, or belief, is being examined in the practical situation in which it is hoped to be used. One of the conclusions of the report is that if companies seriously wish to examine the quantitative effects of ad-

ertising on sales levels, they must have a realistic estimate of the likely effect beforehand, and put this to the test in the inter-area exercise.

The report is chiefly concerned with the ability to detect the effects of advertising inputs on sales, or market share, outcomes. It is acknowledged in the report that inter-area advertising expenditure tests can be used to monitor the effects on consumer dispositions as well as on sales effects. However, the chief use advocated in the literature, and the main purpose for which companies use the approach, is to monitor sales effectiveness.

The report is based on statistical considerations, findings from the literature and the author's own experience. The only information specifically gathered from sponsor companies which is used in the report is the knowledge that their attempts to use the method have usually been unsuccessful for the stated purpose. No further information was sought to ascertain whether the expenditure tests were undertaken for additional reasons, which could well be the case in some instances. An expenditure test might be a way for an ambitious marketing manager to obtain extra promotional funds.

Observations on the Report

The first part of the report is entitled: "Statistical and quantifiable reasons why media weight tests often cannot be expected to work".

In this section seven propositions, or reasons, are asserted as to why it is unlikely that inter-area expenditure tests will show a statistically significant outcome. These assertions are illustrated by examples whenever possible. The seven assertions can be summarised as:

- (a) market shares are not very susceptible to change
- (b) any change in market share (or sales level) that may occur as a result of the test is too small to measure reliably
- (c) changes in media weight are not the only factor likely to influence market performance in a geographical area
- (d) it is not easy (in financial terms) to substantially change the share of advertising held by a product in an area

- (e) variations in other marketing mix variables between areas, and within areas, over time, are not known and/or are too large to detect changes in market performance due to advertising changes
- (f) interaction effects between advertising and other marketing mix elements are difficult to allow for
- (g) it is difficult to choose an appropriate base level against which to measure change

Comment on the Propositions

In the text, these assertions are supported by examples, or, in some cases, data abstracted from publications. Subsequent to the publication of the report, extra data was gathered from the sponsor companies to allow further examination of some of the propositions.

Proposition (a) suggests that many markets are relatively stable and that the market share held by any one brand in a market is not very capable of being changed, by a media expenditure test, or whatever. Tables 1 and 2 in Report No.5 give some figures to support the assertion. They quote the average annual brand share changes in five large markets. In Table III below, there is quoted the annual average brand share changes for some of the products which our study monitored. The data relates to a seven-year period.

It will be seen that for some of the products over the seven-year period, the average year-to-year brand share changes have been large. Hence assertion (a) is not universally true. The products which Table III indicates do have very stable brand shares on a year-to-year basis, are all long established, major brands. Products D, L and C are all relatively new, having been launched within the six years prior to 1974. It could be argued that they are still growing and in a market situation where change is likely and expected. Consequently, it would seem that proposition (a) is particularly appropriate to major, well-established brands. However, it might be argued that media expenditure tests are conducted over shorter periods than a year, and it is really the month-to-month stability of brand shares that is the important measure. As noted in Report No.5, Ehrenberg has copiously demonstrated that period-to-period brand shares are relatively stable. However, Table IV gives some data for average brand share changes over a two-month Nielsen audit period for three major product categories. This data was provided by the relevant sponsor companies.

TABLE III: Average annual share change for products in the MCRC sample⁺

Product	Average annual brand share change (market share points)	Standard deviation
A	0.83	0.45
U	0.84	1.15
E	0.40	0.37
B2	2.97	1.99
N	2.68	2.23
M	2.5	1.54
I	1.14	0.78
D2	1.43	1.13
D	10.14	9.9
L	2.23	2.35
O	0.86	0.54
C	8.35	3.50
B	0.52	0.52

TABLE IV: Average brand share change over a two-month Nielsen audit period

Product category	No. of brands	Average brand share change	Standard deviation	No. of periods
Ready to eat breakfast cereals	4	1.2	0.74	68
Petrols*	6	0.42	0.4	228
Toothpastes	6	1.36	1.25	97

⁺ Details of each coded product are given in Report No.10 (page 20)

* Share changes per four-week period

It can be seen that for frequently purchased brands in these product categories, large market share changes do not occur on average. In fact, the data used to estimate the brand shares for each period is survey data which contains a sampling error. Hence the standard deviations quoted include this sampling error and are larger than if absolute measures of brand shares were used. This suggests that the degree of change in brand shares for these product categories is more stable than the figures suggest.

I would also like to augment proposition (g). This proposition suggests that it is difficult to decide what to use as an appropriate base level against which to measure change, when conducting a media expenditure test. An example is quoted: before a media expenditure test, 30% of the target population preferred a product and after the test 40% preferred it. In the report it suggests three possible calculations that might be performed to assess change:

- i: $40 - 30 = 10$ (the difference)
- ii: $10/30 = 33\%$ (the increase as a percentage)
- iii: $10/70 = 14.3$ (the increase relative to the potential)

However, further possibilities exist. Often a forecast is made of what is expected to be achieved and the actual level attained is compared with it. For example, if it had been forecast that the number of people preferring the product would increase to 33%, then another measure of achievement would be:

$$\text{iv: } 40 - 33 = +7$$

Finally, a control area could be monitored, during a test, where no change in media expenditure was undertaken. If the change in product preferences in the control area went from 33% to 37% during the time of the expenditure test, then a further method of assessing the achievement of the test would be:

$$\text{v: } \frac{40 - 30}{37 - 33} = 2.5 \quad (\text{i.e. test area change relative to a control area})$$

It is concluded in the report that all seven propositions when taken together would indicate that it is unlikely that a simple media expen-

diture test can easily produce readily understood and conclusive results. Given the extra data presented here, one would perhaps qualify this conclusion by saying that it would apply particularly to major well-established brands.

The Second Section of the Report

In the second section of the report, the managerial aspects of planning, controlling and interpreting the results from a media expenditure test are examined. Such considerations as the need for replication and lengthy tests are explored, together with the many factors that must be taken into account when interpreting apparent results. Four major considerations are stated that must be considered at the planning stage of an expenditure test.

The Final Section of the Report

In the final section of the report, some guidelines are given for the actual conduct of media expenditure tests. The basic test design considerations are explained, together with methods for interpreting the data.

The role of media expenditure tests in a broader framework of advertising research is explained and advocated. For completeness, the nature and purpose of an ADLAB is explained and it is suggested where such a facility should fit into the framework for overall advertising research.

Finally, a check-list of some 30 items is stated of points that should be carefully considered when an advertising expenditure test is being contemplated.

Conclusion

The overall conclusion of the report is that great caution should be exercised over the use of media expenditure tests. It is suggested that there are many reasons for their not being likely to produce conclusive findings; these reasons are both statistical *and* managerial.

It would be wrong to deny completely the potential value of such tests when satisfactorily conducted. The careful experiments at Anheuser -Busch* and their apparently valuable discovery that advertising expenditure could be reduced, bear testimony to the rewards of experimentation. However, this exercise was conducted over at least four years and involved much detailed preparatory and exploratory earlier research.

Consequently, it is felt that Report No.5 is constructively critical of media expenditure tests. It warns of the many reasons why they can and do fail; it explains how the difficulties can be overcome if it is felt sensible to conduct such a test, and it advocates where such tests should fit into a comprehensive framework of advertising research.

3.8 Report No.6: THE SETTING OF ADVERTISING OBJECTIVES

Introduction

The role of this report is explained in the Methodology section of this exposition. Essentially, it contained three parts: the first part explained the rationale underlying the whole programme of research to which the study had become committed. This explained why it was believed that the setting of advertising objectives had become the focus of attention; viz: it is necessary to establish benchmarks for measurement and that one must understand the purpose of the objectives so as to appraise the appropriateness of any measurement method.

The second part of the report presented a literature review on the setting of advertising objectives. This was felt appropriate since the topic was the focus of the research, but little had been presented by the research team to help define objectives or indicate how the literature suggested they should be set.

*Ackoff, R.L. & Emshoff, J.R. "Advertising Research at Anheuser-Busch Inc. (1963-68)" Sloan Management Review Winter 1975

The final part of the report presented details of the empirical work that had been undertaken so far on the project. The information that had been collected from each sponsor company and the composition of the sample products chosen were explained. The distinction between advertising and marketing objectives was spelled out, together with an analysis, into these two categories, of all the objectives for advertising that had been collected during the fieldwork. Finally, some analyses were presented of the advertising objectives that were set for the 27 products for which comprehensive information had been collected.

A final page (Section 4E) tentatively suggested the criteria for setting advertising objectives and the sequence in which they should be considered.

In the two appendices to Report No.6, the results of the analysis of the questionnaires that had been sent to sponsor companies, are presented. These questionnaires are cited in the appendix to this exposition (Appendix IV). Firstly, a breakdown is given of the sample of products being examined in depth in the study. This itemises such things as: number of competitors, price differences between the product and "own label" products, ratios of above-the-line to below-the-line promotional expenditure, etc. Secondly, some details about the overall companies are given, including such things as turnover, research expenditure and numbers of people in the research and advertising management functions.

Comments on the Report

The discussion of this report by the Committee of Sponsors is fully considered in the Methodology section, together with the derivation of the final version of Report No.6. It served to mark the progress of the study and started to indicate what was hoped to be a coherent programme of research.

The analysis of advertising objectives did not, at this stage, produce any major realisations about the way objectives are set, or advertising is used, in different marketing situations. No clear consistent patterns emerged from the comparative analysis that allowed the study, so far, to report significant normative indications that might be useful to practising managers. Broadly, what was expected was found, eg: new products tended to set objectives for gaining awareness and trial; durable products did not set objectives for achieving loyalty, trial, reminding or conveying "messages". A "message" objective is differentiated from an "information" objective on the criterion of the latter being more factually based.

The advertising objectives for all the products were analysed against several categories of product or market situations. These were:

- i: Durable - non-durable products
- ii: Product type - old established
 - additional market entrants
 - innovative products
 - recently introduced products
 - neo-commodities
- iii: Market type - major new products introduced
 - small markets for established products
 - growing markets
 - large established markets
 - large declining markets
 - neo-commodity markets
- iv: Phase of product life cycle
- v: Defensive - offensive product situation
- vi: Advertising/sales ratio and market type
- vii: Media advertising expenditure categories - up to £200,000
 - £200-£400,000
 - over £400,000

These categories were chosen from those suggested in the management literature (eg: product life cycle) or those believed by the research team to be potentially appropriate to the particular sample under investigation. These particularly analyses are described in pages 57-73 of Report No.6, where definitions of the way the sample products were allocated to product or market types, is given as well.

However, all the tentative findings presented in the analysis part of Report No.6 have to be qualified by their being derived from a small sample of 27 diverse products, which is in no way representative of a cross-section of all advertised products.

In the report, 10 categories of advertising objectives and seven categories of marketing objectives were derived. These were derived by subjective analysis of all the objectives that had been set for all the products studied. It should not be considered a complete typology of advertising objectives. For each category of objective, an

exhaustive listing of which actual objectives had been classified under it was given. None of the sponsors criticised the categories that had been devised and so they were used for future analyses.

Conclusions

The report spelt out the difference between advertising and marketing objectives: it emphasised that in practice sponsor companies were tending to confuse the two as being synonymous.

The analyses of the objectives that were set for the sample of products, indicated that in general no two products set identical sets of objectives. Each product was in a slightly different marketing situation to any other when examined on more than very simple criteria. This realisation had important consequences for the overall project in that it

- (a) emphasised the need to have a full appreciation of the marketing conditions when appraising a product's advertising, particularly vis-à-vis other products; and
- (b) emphasised the unlikelihood of the study producing specific, normative advices for sponsors.

3.9 Report No.7: A REVIEW OF PROGRESS TO DATE AND OUTLINE PLANS FOR DEVELOPMENTS UP TO 1977

The purpose and general contents of this report are fully explained in the Methodology section. The report was written by the study's directors and was concerned with maintaining the continuity of the overall research, once the current study had been completed. The report did not contain any material immediately relevant to the main study being conducted at the time. It is not, therefore, presented as supporting material here. It did, however, contain a brief summary of the rationale of the existing project, and no doubt served to enhance confidence in the programme of current research.

3.10 Report No.8: THE SETTING OF ADVERTISING BUDGETS

Introduction

This report summarised much of what has been written on the topic of expenditure on advertising, and how such expenditures are, and can be, derived. The report aimed to draw on material from theorists as well as practitioners, and wherever possible to cite empirical findings. Primarily intended for members of the Committee of Sponsors, its role in the development of the overall project is outlined in the Methodology section. It attempted throughout to analyse the material drawn from the literature into conclusions for practising marketing managers. Emphasis was placed on stating the sort of products, or markets, to which any conclusions were felt to apply. This emphasis was used because, by this stage in the overall study, it was realised that

- (a) advertising was used for different purposes
- (b) advertising was thought to "work" in different ways in different circumstances
- (c) different types of objectives were used for products in different marketing circumstances

Contents of the Report

The contents list of the report indicates the full range of material presented. This was somewhat intentional in that it was hoped that the report would be used as a reference document as much as anything. Just as Report No.4 ("How Advertising Works") had been a major compilation of the affectual influences on advertising performance, so this report was intended to put into context the many issues thought to bear on setting budgets for advertising.

Broadly, this report was divided into three sections. The first dealt with the economists' view of expenditures on advertising: these were cast as being the most theoretical. In general it was shown that much economic literature on advertising ignores the fact that some advertising, and a major part of actual total national expenditure, is conducted for partly long-term purposes. It was also shown that most of the methods advocated, in economic literature, were single derivatives of, or alternative versions of, the marginalist

principle. In order to use any of the methods advocated, one usually needs to know the relationship between advertising and sales results: most practising managers would find this an untenable requirement. To be fair to the economists' viewpoint, their purpose has usually been to try to derive theories about the macro effects of promotional expenditure, rather than as it effects individual products or brands.

The second part of the report examined the contribution of management science and its potential role in helping to set advertising budgets. The framework for this part of the study was very much that of examining various models, and findings, against types of market situations to which they related. Hence, the work of management scientists was categorised not so much by methodology, but by the market type to which a piece of work seemed to relate. Hence, new product models and analyses of advertising levels and sales achievements for new brands were examined together.

The final part of the report attempted to appraise the practitioners' approach to advertising budget setting. The term "practitioner" was meant to include those responsible for managing advertising, and those who professionally advise them, who are predominantly advertising agency personnel. The section also included an analysis of advertising expenditures on the sample of products studied in the project. This was to examine hypotheses about the main, quantifiable, factors thought to influence budget sizes.

The appendices to this report were quite extensive. The first one summarised all the 18 different ways which had been found, which suggested how advertising budgets could be set. A brief critique was given on each. The next two appendices demonstrated the derivation of some of the basic economists' principles and defined some of the terms found in the economists' literature. Examples were given of how to use two of the management scientists' approaches: worked examples were quoted. Next, the data from the sponsor companies were presented, which showed advertising levels appeared to have an effect on the growth of own label products. Finally, a listing was given of the data that had been collected, by the research team, on each product and which included advertising expenditures. Some 23 quantified observations were available on each product. This last appendix was provided for sponsors so that any suggestions could be made on the sort of analyses that might provide further insight on the levels of advertising required for different types of products.

Comments on the Report

The Executive Summary, at the front of the report, and the Conclusions (page 92) encapsulate the main findings and advices.

Fixed A/S Ratios: The methods advocated by the economists' literature are generally dismissed as being inappropriate to individual brands. It is noted, however, that their methods mostly advocate the maintenance of fixed advertising-to-sales ratios, to which many practitioners subscribe, but for different reasons. In fact, the fixed a/s ratio is roundly criticised in marketing textbooks. There is a defensible rationale, however, which is not appreciated by those who do not acknowledge that advertising is used for different purposes. It could well be considered logical to retain a fixed a/s ratio for a product

- (a) whose advertising's main purpose is to retain existing customers; and/or
- (b) whose advertising is mainly used to remind customers who buy infrequently and for whom each purchase occasion is an independent event.

Point (a) suggests that where advertising is used to retain existing customers, it is essentially an additional cost attributed to achieving the sale of each item. As the number of items sold reduces, then the sum of promotional expenditures per item will reduce. I think this reasoning underlies the many variations on fixed a/s ratios; for example, case-rate levies to generate advertising budgets. From talking to executives about their budgeting for advertising in this way, I do not believe they fully appreciate that a budget set in this way is essentially for protectionist purposes. In the report, the many limitations for using fixed a/s ratios are cited and are appropriate to situations where advertising is used for other purposes than solely to retain existing users.

Point (b) would apply to markets where customers buy infrequently and where what was purchased last time does not have any influence on the next purchase, i.e. no learning or preference develops. It would be argued that in this situation, there is a cost of reminding each potential purchaser, and the total cost of reminding every one of these will be proportional to the total sales. Hence, total condemnation of fixed a/s ratios may not be warranted, particularly where advertising is used for the purposes cited above. In fact, Nerlove and Arrow (1962), as described on page 11 of the report,

suggest much the same conclusion by postulating the need to maintain "goodwill" in customers. Their analysis suggests that a fixed a/s ratio is appropriate to market circumstances where

- i: there are no economies of scale in production
- ii: price elasticity is constant
- iii: the total market is stable
- iv: oligopoly prevails

Nerlove and Arrow have been criticised by other economists for assuming that, in effect, current purchasers are not effected by past purchases, past prices or past incomes, and that some magic ingredient called "goodwill" is the main determinant of purchase. Nerlove and Arrow were not able to specify in marketing language the sort of situation to which their analysis applied. Their analysis does not apply to all markets, because their assumptions do not always hold, eg: past purchases have no effect on current purchases. However, I would suggest it does have a relevance to the situations (a) and (b) outlined above, and that points i - iv are often found also in these markets. Hence, in some circumstances fixed a/s ratios are defensible.

The Use of Models: The report suggests, in its conclusions, that mathematical models of a market can be used to arrive at "order of magnitude" estimates for advertising budgets. However, it is stressed in the report that this should be done in *conjunction* with the task approach to setting advertising budgets.

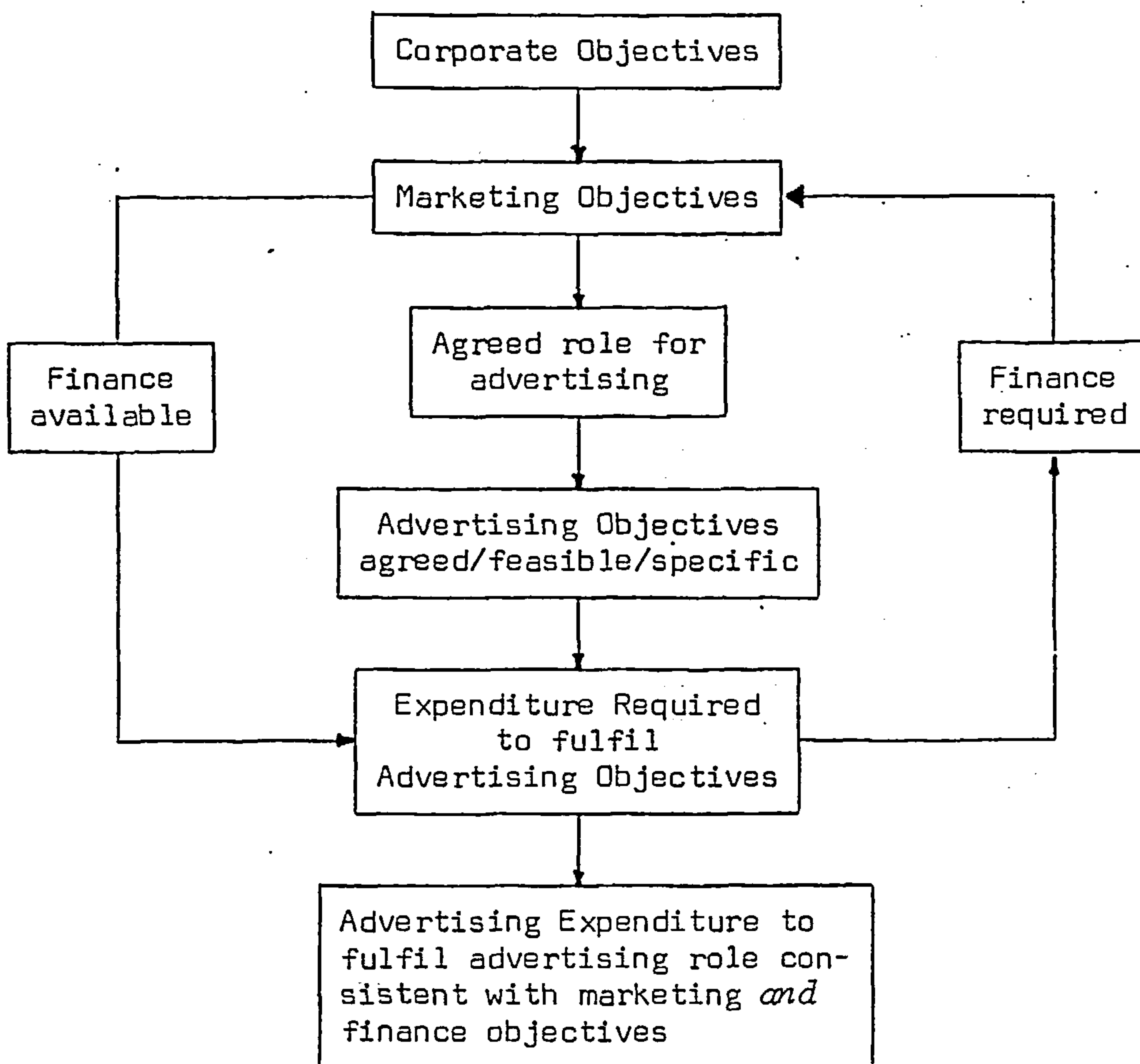
The emphasis on the use of models was intentional in the report. The distinctive approach used in the report was to put each model thought to have some potential practical use, into a category of market, or product, situation to which it was appropriate. It has been suggested by others, as reviewed in the report, and fully endorsed by me, that the lack of use made of the modelling approach is partly due to their being "oversold" originally, and partly because potential users tried to use the wrong model for their particular situation. A model developed, and maybe even tested, in new product situations is unlikely to be appropriate for an old well-established product.

It was also appreciated that among members of the Committee of Sponsors, there were those who seemed to believe that the modelling approach was the only true course to better decisions. The report tried to provide a reference document, and a certain amount of education, on models for marketing decisions, including advertising, for these sponsors.

The Practitioners' Approach - the Task Method: This section of the report tried to examine the advertising budget decision in the fuller context of marketing decisions and competing priorities. Having done this, the report advocates the use of allocating financial resources to advertising in line with the objectives that have been set for advertising to achieve - the Task approach.

The advised framework that I have subsequently developed (and which is also given in Report No.11) is shown below. It enables the Task approach to be integrated into the *organisational* context of the way budgets have to be set in practice.

Table V : A Framework for Setting Advertising Budgets



The main point that this process highlights is that it should be an *iterative* one. Initially, advertising objectives should be set consistent with the marketing ones. The cost of achieving the advertising objectives should be estimated and then compared with the money that has been made available, which takes other organisation considerations into account. If, as is claimed usually, the money available is not sufficient to meet the amount required to meet the advertising objectives, these must be scaled down. This in turn must mean that the marketing objectives are scaled down too, if advertising were to play a role in helping them be achieved. It is not usual for marketing objectives to be changed when advertising budgets are cut, but it is argued here that they should be.

This framework has been presented to seminars in sponsor companies and generally agreed to be logical. Criticisms that are made are practical ones usually. For example, it is suggested that it is not possible to put figures on the cost of achieving certain advertising objectives. After debate it is usually conceded that this framework, if consistently followed, would allow a systematic learning process to be instituted, and also provide a framework for more rational discussions on the consequences of changing advertising budgets.

Welfare Considerations: In many of the texts on the economics of advertising, the wider social consequences of advertising are explored. The report presented to the sponsor companies did not consider these aspects. It examined advertising expenditure as primarily a business expense as far as the manager of an individual product would be concerned. The only concession to the need to appreciate the arguments on the possible aggregate effects, was to note that it was important to appreciate the economists' views. As a discipline, economics, and economists, tend to influence those who formulate and administer the law as it effects business.

3.11 Report No.9: A HANDBOOK OF PRE-TESTING METHODS

As related in the Methodology section, this report is still in preparation by the other member of the research team, and so is not presented here.

3.12 Report No.10: THE EVALUATION OF ADVERTISING OBJECTIVES

Introduction

This report summarises the main empirical work undertaken in the final two years of the study, together with the detailed findings. The Executive Summary and Introduction to the report serve best to summarise its purpose and structure.

In the body of the report, the way in which advertising objectives are, or can be, evaluated in practice is described. The evidence is drawn from the sample of products whose advertising management had been tracked over the two-year period. In the first year, the advertising objectives for each product were examined. In the subsequent year, the way in which the achievement of these objectives was assessed was examined. The information used for the analyses presented was derived by interview and follow-up questionnaire, as described in the Methodology section.

A brief synopsis of the contents of the report is given here.

Contents

Chapter 1: This chapter encapsulates the background to the overall study and the work leading up to the stage actually described later in the report. Hence, a summary of the rationale of the research plan is given. The need to investigate advertising objectives is asserted and the purpose of the empirical research is summarised to consist of three main issues:

- i: to determine what sort of advertising objectives are set in particular circumstances, and what are the influences which lead to these objectives
- ii: to determine what sort of techniques are used in practice to measure, or monitor, the achievement of objectives
- iii: to draw conclusions on the degree to which advertising objectives can be measured in practice

Next in this chapter the sample of products used in the study is described together with details of the information which was collected on each of them over the two-year period. In total, 33 products were

monitored over the two-year period. A listing of the products is given on page 18, together with the sponsor company to which they belong.

Each product is identified by a code letter in all subsequent material presented in the report. On page 20, the products are listed by code letter and six key factors relating to each product are given:

- (a) the size of the market in which they compete
- (b) the type of product (one of five categories from new to neo-commodity)
- (c) the number of competitors
- (d) the claimed degree of competition
- (e) the average frequency of purchase
- (f) the share of the market held by non-advertised products

Finally in this chapter details are given of what advertising objectives were set for each product as identified by its code letter.

Throughout the report, the advertising objectives for each product are separated into two types: those called advertising objectives, and those assessed as being marketing objectives, according to the criterion described in Report No.6.

Table 6 on page 23 gives the relative frequencies with which each type of objective was set for the total sample of products. It is seen that four main categories of objectives account for 74% of the advertising objectives set. These are: branding and image building; messages; education and information; and, attitudinal. The marketing type objectives that were, nevertheless, set as advertising objectives, were much more spread from those aimed at influencing buyer behaviour to those aimed at increasing the total market. Also in this Table is given the relative frequency with which it was found that each type of objective was eventually assessed. Not all objectives were assessed.

Chapter 2: This chapter gives some details of the way in which the advertising for each product was implemented. Table 7 presents for each product the main media used, the media advertising

expenditure, and an estimate of other promotional expenditures. This latter information was derived by asking the product manager of each product how much money in the marketing budget was allocated to other promotional activities. The definition of other activities varied from company to company, so the figures are strictly not comparable. However, this Table illustrates the very great extent of other promotional activity, and highlights the great difficulty that must exist in trying to derive a causal relationship between aggregate advertising expenditures for a product and aggregate sales results. The effect of the other promotional activities must exert a considerable influence. This sort of information was rarely found to be present in the studies reviewed in Report No.2(ii) (the "Post-display Analysis of Promotional Effectiveness").

The extent to which the advertising was subjected to pre-testing evaluation is shown in Table 8, page 28. It is noted in the text that pre-testing techniques are still being developed, and that for several years there has been a major swing away from the use of large-scale questionnaire or mechanical device-aided techniques. Only one out of the 33 products used pre-testing to select the best from a competing set of advertisements.

Chapter 3: This chapter explains the way information was collected and coded to examine the degree to which objectives were assessed. As described in the Methodology section, each company was visited and the product managers and relevant research executives were separately interviewed to determine

- (a) how the past year's advertising, and specific objectives, were assessed for their degree of achievement
- (b) what research had been conducted which provided information related to the product's marketing and/or advertising performance

From this information, the research team recorded the way in which each advertising was evaluated by the sponsor company concerned, and what information was used to make this assessment.

Nine categories of assessment means were derived from the many responses recorded. These are detailed in Table 9, page 34. It is stressed that this typology is not comprehensive or absolute. It was derived intuitively from the information merely as a method of

summarising it. Table 10 (page 35) gives the four main categories of reasons stated for those objectives which were not formally assessed. One of the categories is termed "managerial judgement". In fact all the categories are the result of managerial judgement. However, those situations classed under this heading are those where it was considered by the research team that no serious decision seemed to have been made not to assess the advertising: the situation had occurred by default and the people interviewed were post-rationalising some sort of reasoning. This is a subjective assessment, however, on the part of the research team.

The extent to which assessment was undertaken was graded into four categories. It was observed that assessment methods ranged from those undertaken as a matter of routine and on a regular basis, to those that relied upon the chance provision of information. An example of the latter type would be the receipt of favourable trade comment on an unsolicited basis. An example of the former would be the systematic collection of trade comment by survey on a regular basis.

Hence for every product and every objective set for it, it was possible to record

- (a) whether the objective was assessed
- (b) what assessment category was used
- (c) the extent to which the objective was assessed

Tables 12-15 present this information for the sample of products in various different ways. In all the Tables, the classifications of objectives are shown: advertising objectives and those classed as really being marketing objectives, although they had been set as advertising ones. Table 16 shows the products for which no assessment was made of the objectives and why no evaluation was undertaken.

The Tables show that the most frequent category of assessment method is that termed "attitude/image response", followed by that termed "advertising content monitor". This latter category consists mainly of methods measuring advertising recall or awareness. The third most frequently cited category was that which used aggregate sales levels as the guide to advertising success. For those objectives which were classified as marketing objectives, sales data was the predominant information used to assess achievement.

Chapter 4: In this chapter, the methods of comparative analysis used in Report No.6, were used. Seven separate analyses were undertaken, in each of which the sample of products was broken down into sub-categories of similar product or market type. Their advertising objectives and methods of assessing these were then compared for similarities and contrasts. The seven separate analyses were done by grouping the products on the following criteria:

- i: durable - non-durable products
- ii: product type
- iii: market situation
- iv: phase of the product life cycle
- v: the extent of defensiveness or offensiveness of the product situation
- vi: the advertising/sales ratio and market situation
- vii: the level of advertising expenditure

These seven ways of examining the sample comparatively were chosen as described in Report No.6; those suggested by management textbooks augmented by those felt intuitively by the research team to be appropriate to the particular sample. Hence, the influence of the extent of own-brand sales in some of the definitions of sub-categories. At the time of the study, many of the grocery goods companies were very concerned about the growth of own-label products. Much of the marketing effort and verbal comments seemed directed to this topic.

In Tables 17-23, the total sample of products is broken down into sub-categories of similar groups on various criteria. The advertising objectives of each grouping are compared and contrasted in the text following each Table. Similarly, the advertising assessment methods employed in each group are compared and contrasted.

For example, the sample of products is split into *durables* and *non-durables* in Table 17, page 50. For each of the two categories expected advertising objectives are stated by the research team. These expectations are based upon what the research team felt would be conventional, textbook teaching. In effect, simple hypotheses were postulated. These were then examined against the data in the Table. It was suggested, for example, that durable products would have advertising objectives aimed at conveying factual information, whereas this sort of objective would be less prevalent in non-durable products. The average number of information objectives set per durable product was 0.43, and for non-durable products it was 0.38. Hence, the hypothesis is not substantiated.

Another hypothesis was that durable products would not use advertising to gain trial, whereas non-durable products would. No trial objective

was found for durable products, and five were among the non-durables. Hence, this hypothesis did have some support.

Many other hypotheses are proposed and tested in this way on the data presented in the Tables. Expectations about the way objectives would be assessed are similarly examined.

The *product life cycle* analyses (Table 20, page 63) and the analyses that follow, are another interesting example. The Table on page 65 examines the number of advertising objectives of the various types that are set per product at each stage of the product life cycle.

Some expected results are found and some contradictory ones. For example, the highest number of "awareness" objectives occur at the introduction stage. However, in the decline stage, the second highest occurrence of "awareness" as an objective, is found. This might be explained by declining products being re-launched. The same pattern is also observed for the "trial" objective.

The "loyalty" objective does conform to expectations. At the introduction stage, no loyalty objective was found, while those products in the mature stage had the highest use of "loyalty" as an advertising objective.

In general, assessment methods are used as would be expected, taking into account the various considerations related to individual product types.

Another analysis detailed at the end of this chapter attempts to examine products grouped according to the similarity of the assessment methods used to evaluate their advertising. No major insights result from this analysis, and no obvious patterns emerged. Hence, one could conclude that a particular assessment method is used in a variety of different product and market circumstances.

Chapter 5: This chapter presents 15 brief case histories of some of the products from the sample of 33. In each case history, the market circumstances are described together with the advertising objectives that were claimed, by product managers, to have been set. It is then related how these advertising objectives were attempted to be assessed. These cases were included in the report to

- (a) further substantiate the main points demonstrated in the analyses in the report

- (b) present some cautionary tales as well as exemplary examples
- (c) further use material that was in the research team's possession and add authenticity to what might have appeared as a rather abstract set of figures

Conclusions

Six major conclusions are presented in the report. Chief among these is the assertion that all the advertising (as opposed to marketing) objectives that were set across the sample of products, were measurable for their degree of achievement. This was not to say that all advertising objectives for all products were assessed by their managements, but that every type of objective was assessed by someone somewhere. It is, therefore, concluded that advertising can be assessed for its effectiveness if proper *advertising* objectives are set.

The other conclusions are more correctly "observations" on advertising management. They are not identified with any systematically set-down evidence, but are based on several case studies from within the sample of products studied. However, it was felt useful to make these observations in this report so as to prompt their consideration by the sponsor group.

Essentially, the whole approach presented in Report No.10 is very positive. The reasons for non-assessment were not probed very fully. Similarly, the reasons for adopting a particular assessment method for an objective, as opposed to some other method, were probed during the interviews, but not presented in this report.

Another important issue that was not examined is that of the decision on how much to spend on the measurement of advertising. This topic was never in the research remit. As noted in the report, however, much of the assessment of advertising is conducted as part of a general assessment of the product's performance in the market place. Advertising monitoring in many cases is a by-product of checks of the acceptability of the product in the market place, for example usage and attitude studies often include advertising awareness questions for good measure, but as a secondary interest item. It would be difficult to unravel the cost of monitoring advertising alone in these circumstances.

However, the main purpose of the report was to consolidate the overall momentum that had built up, in the collaborative study, around the

value of setting advertising objectives. The report should be judged in this light. It presented some evidence that advertising objectives could be measured, if it was desired to do so. It did not dwell on any difficulties. It was, perhaps unconsciously, aimed at providing confidence in the sponsoring companies to be more positive about setting objectives for advertising so that they could, among other things, measure the outcome more definitely.

3.13 Report No.11: HOW WE BELIEVE SPONSOR COMPANIES CAN IMPROVE THEIR ADVERTISING EFFECTIVENESS AS A RESULT OF THE STUDY WE HAVE CONDUCTED

This report presents the chief findings of the overall study. As well as those findings that were a result of the more formal empirical study, many issues are presented which are believed to be important considerations for the effective management of advertising. This material would best be described as "observations" which are derived from the experience of conducting the study. For example, the issue of the "time considerations in advertising planning" is inspired by the cautionary tale of one of the products in the sample. The managers of this product did not plan the re-launch advertising beyond a year ahead. Subsequently, they found that it was not possible for the advertising theme they were using to be further developed. A new theme had to be found and used. Subsequent research showed consumers to be confused because of the change of theme.

Section 5 of this report is a summary of Report No.4, and is presented because it was felt to complement the other material, and that those who would read Report No.11 would probably not have read Report No.4.

The role and use of Report No.11 is described in the section on Methodology. It was aimed at marketing management within the sponsor companies. It was assumed that the normal format of the research reports would not be attractive to such an audience. Hence, the succinct unacademic style was adopted.

Chapter 4: THE EFFECT OF THE STUDY ON SPONSOR COMPANIES

4.1 INTRODUCTION

This section describes some of the observations that have been made on the effect of the study on the companies which sponsored the study. The observations presented here have not been collected systematically; they are in the way of an informal assessment. It would be difficult, however, to gauge the effect of the study on sponsor companies since, among many problems:

- (a) it would be necessary to estimate their behaviour had they not been part of the study
- (b) the effects may take time to show their impact
- (c) personnel and business environment changes will modify effects

The information one can use to assess the impact of the study falls into two categories:

- i: definite changes in company policy which correspond to the study's recommendations, or which are overtly attributed to the study by the company
- ii: statements or actions made by company personnel that could be linked to the recommendations of the study in the opinion of the researchers, who know the personnel involved. This information is naturally very subjective.

In the assessment that follows, the two categories of information are clearly delineated.

4.2 THE SOURCE OF INFORMATION

The research team has maintained contact with most of the companies sponsoring the original study, through the continuing research programme. During visits to each company, I have tried to ascertain changes in behaviour or attitudes since a previous visit of 12 months before. In some instances, the company has instituted policy changes which they either attribute to the study, or which are following the conclusions of the study so closely as to have been influenced by it. Such behavioural changes are readily observable and are termed *behaviour change* in the results that follow. Changes of attitude are less easily attributed to the effects of the study. However, where an executive was interviewed on much the same topic 12 months apart, and has modified his views in accordance with the research's conclusions, this has been recorded as an *attitude change* in the Table below.

Details of what were considered to be attitude or behaviour changes are given later (in "The Nature of Changes").

For completeness, the Table below includes a category of *reacting negatively*, since it is possible that some companies could reject the outcomes of the study and positively say so.

It is intended to monitor the effects of the study in a more systematic way through observing how advertising objectives are set in each company in future, and how systematically they are monitored. This necessarily must allow at least 12 months to elapse from the end of the study because of the time intervals between planning and executing advertising programmes.

Not all companies have been visited. Six have subsequently left the group of sponsors at the end of the first major study. Also one company was following most of the recommended practices during the course of the study, and so may not show such notable changes as others.

4.3 TENTATIVE ASSESSMENT

The Table below indicates the extent to which companies' attitudes and/or behaviour appear to have been modified by the study so far. It is important to note that as the research team continue to have

contact with sponsor companies further change may occur. However, behaviour and attitudes may revert to their original forms if experience does not prove them to be desirable or if personnel change. Hence, changes may not be permanent.

TABLE VI: Observed Changes in Sponsor Companies

Number of companies observed*	13
Number of companies not yet closely observed	9
<i>Of those that have been observed:</i>	
No. of companies instituting a behaviour change	4
No. of companies with positive attitude change	6
No. of companies reacting negatively	0
No. of companies with no detectable changes	7

*the total includes three divisions of one company treated separately; the company deemed to have had exemplary behaviour during the study is excluded.

4.4 THE NATURE OF CHANGES

All four companies that have instituted some positive change in their advertising management behaviour have, naturally enough, changed their attitudes in line with the study's conclusions. For the assessment of changes examined in this section, I have taken the main conclusion and recommendation of our study to have been:

- (a) it is necessary to set proper *advertising* objectives
- (b) it is possible to measure the degree of achievement of *advertising* objectives, if necessary

Hence, change in behaviour has been recorded as occurring in a company if it has changed its practice concerning (a) and/or (b), since taking part in our research. There are other behavioural changes that could result from the other findings of our study, but these have been excluded.

For example, our findings (in Report No.11) suggest that frequent changes of advertising platforms are likely to be counter-productive. Long-term observation might detect changes in this sort of behaviour but this would have to be spread over several years.

Attitude change has been assumed to have taken place within a company which took part in the study if company personnel formerly did not but do now

- i: claim to believe (a) and/or (b)
- ii: by their words or deeds, indicate they believe (a) and/or (b)

Of the four companies observed to have changed their behaviour as a result of the study

- * one has instituted the setting of *advertising* objectives for all its many products and has established a six-weekly field sample survey to monitor advertising achievement on the objectives
- * one has held a weekend meeting with its advertising agency to establish the routine of setting advertising objectives
- * one has held a special course to indoctrinate its managers into setting *advertising* objectives
- * one has spent considerable time and money disseminating the findings of the study to its management

An example of an observation by me that a manager within a company had changed his attitude was where I visited the same manager twice at a 12-month interval. On the first occasion when he was asked a question on a particular topic (thresholds for advertising expenditure) he claimed he did not know the ideal answer, but accepted the agency recommendation. After receiving the presentation of the results of our study, and then being interviewed by me 12 months later, and asked the same question, he "lectured" me on the wisdom

of setting advertising objectives to help solve such a problem. This missionary zeal was witnessed in several executives within the same company. At present it has not been possible to verify that this changed attitude has had a positive effect on the nature of the advertising objectives set. This same company has recently appointed two new advertising agencies, whereas for the past seven years it has had the same one for all its products. If anything, this suggests that new attitudes suggest the need for change somewhere, or, put another way, lead to dissatisfaction.

Consequently, it must be stressed that the findings expressed here are based upon subjective observations, particularly on the attitude changes. However, it is probable that some attitude changes have taken place in some companies which have not been detected. Similarly, it had been observed earlier in the study that the researchers' dissemination of policies practised in some companies, has lead others to adopt them. For example, in the initial reconnaissance fieldwork (Report No.1), it was found that three companies did not pre-test advertising, but it was stated that the majority did. The researchers naturally questioned the minority as to why they did not. In the next round of fieldwork, it was found that only one company still did not pre-test on a regular basis. Hence, the impact of the study may be underestimated.

4.5 CONCLUSION

Of the 13 companies specifically observed, there is some evidence, albeit subjective in some instances, that in nearly half some change in behaviour or outlook has been induced by their being part of the collaborative study.

It may be that in other sponsor companies opinions have been confirmed for certain individuals by their observations of the outcomes of the study. This may well have value to these individuals and/or their company. However, this introduces the question of the utility of greater confidence in decision-making. It could also be argued that those companies in which attitudes and/or behaviour have changed as a result of the study, may not have changed for what is commercially better. The aim of the study, however, was not to produce details of best practice, but to provide the material and observations from which companies could derive what is better for them. This issue, however, is debated more fully in the section "An Appraisal of the Study".

One final observation must be made on the impact of the study and the ability of any such study to cause change. When asked if they agreed with the conclusions of the study, almost all remaining members of the Committee of Sponsors, or groups of managers addressed at presentations, replied that they did. Many, however, were not confident that they would be able to implement the conclusions. The most frequent reason for probable non-implementation was the perceived rigid views held by the organisation and/or a senior influential executive.

The ability of a research programme to stimulate the adoption of its findings is considered in the next section. It is suggested that the study described in this exposition could be considered as an 'Action Research' programme. The definition of 'Action Research' and its potential for overcoming organisational inertia is explored in this next section.

Chapter 5: ACTION RESEARCH

5.1 WHAT IS ACTION RESEARCH?

In 1973, the Central Policy and Review Board under Lord Rothschild pronounced that, in future, research funds should be channelled into projects that would produce actionable findings related to industry's and society's problems. Research for research's sake was no longer to be encouraged. This policy raises many issues, but the one to be explored further here is that of the problem of the application of research findings. It is often claimed by frustrated researchers that their findings are ignored or misapplied. Another common assertion is that it takes 10 years for a new idea, or research finding, to become adopted by the majority of decision makers in management.

One approach that has been suggested to aid the problem of gaining acceptance for the application of research findings is to use the methodology of *Action Research*. Essentially, the approach seems to posit that it is necessary to include in the research programme the study of how the system under examination changes and reacts to information and ideas. The objectives of the research may even include the statement of the need for the exercise to cause change. Hence, the researchers accept a dialectic role, and forego the caution of needing to remain "unobtrusive" so as not to disturb the system under study. This overall approach would seem to advocate the collaboration between the researchers and the researched so that both learn from each other and both progress.

It would be easy to be churlish and dismiss the above attempted definition as being that which describes consultancy. If it is conducted by people from an academic institution, it might be argued, it does not automatically make it become something more respectable or grandiosely titled. I think the essential difference between consultancy and Action Research lies in the objectives of the research exercise. Action Research would seem to have a dual set of objectives:

- i: those of the researched, which are to shed light on his problem and point to actionable decisions
- ii: those of the researcher, which are to contribute knowledge and understanding to his subject area from which others can benefit, and to ensure his findings are actionable, if necessary.

Both sets of objectives must be acknowledged by both parties, it would seem, for Action Research to be viable.

5.2 THE DEVELOPMENT OF THE ACTION RESEARCH APPROACH

The realisation that Action Research forms a coherent methodology seems to have evolved over many years and many studies which embody the essentially collaborative purpose. The Tavistock Institute of Human Relations has since the early 1950s stressed the approach of obtaining collaboration from members of an organisation in attempting to help them solve their own problems (eg: Elliott Jaques (1)). Lewin has been ascribed the role of the father of Action Research (eg: Gill (2)). The Lewin School of Social Psychology stressed the need to study the dynamics of change in the environment in which it took place, rather than attempting to unravel causation through "controlled" laboratory conditions. In an early exercise (1943), Lewin examined the relative success of group discussions versus lectures in changing housewives' food-selecting habits. The group discussion approach, with housewives themselves participating, proved much more effective than the lecture in overcoming the housewives' reluctance to buy offals. The study of group behaviour and dynamics, often by what seems to be essentially Action Research, has been described by Lewin (3) in 1947.

Other management scientists working almost entirely within industry have long been concerned with the implementation of their work. One of the dictates of professional conduct was to "agree the problem with the manager" before scurrying off to solve it by whatever (mathematical) technique seemingly appropriate. The application of management science to marketing seems to have been particularly slow in acceptance (Fisher and Hirst (4)) and the Action Research methodology has been spelled out as the approach that must be adopted (Little (5), Montgomery (6)). For example, for marketing models to be appropriate and useful to managers, it is advocated that they are actually involved in the de-

velopment and construction of the models, rather than being the passive recipients of a magic formula. Some of the considerations of trying to solve organisations' problems by "scientific" methods have been explored in Lawrence (7).

5.3 THE METHODOLOGY OF ACTION RESEARCH

Action Research has tended to be used in, and defined by its use in, organisational and behavioural research. From case studies and reports of Action Research in practice (eg: Gill (2), Sadler and Barry (8)), one could define the essential steps as being:

- 1: Perception of problem, by sponsor and/or researcher
- 2: Joint discussion of problem by sponsor and researcher
- 3: Terms of reference and objectives of both parties agreed
- 4: Reconnaissance and information gathering. Joint formation of preliminary theories and approach to the problem (re-definition of the problem if necessary)
- 5: Further information gathering. Joint diagnosis of solution
- 6: Joint discussion of the solution and its implications for action
- 7: Action by the sponsor, if necessary. Researcher refines and reports the findings to his own community
- 8: Should a similar problem occur in future, both researcher and sponsor have "learnt" about the problem

Does this basic methodology differ from the perhaps more traditional view of scientific method? The traditional view could be expressed as following the broad steps:

- 1: Statement of the problem (normally by the researcher)
- 2: Observation and/or experiment related to problem area
- 3: Inductive generalisations (and/or re-definition of the problem, if necessary)
- 4: Testable hypotheses generation
- 5: Data collection related to hypotheses
- 6: Attempted verification of the hypotheses
- 7: Knowledge (about the problem area)

It must be remarked that Popper (9) has cogently argued that it is only possible to *disprove* a hypothesis. However, the basic process outlined above has been religiously followed in the physical sciences since the 19th century, and in the behavioural sciences for many decades.

It could be argued that the basic steps of Action Research do not differ from those of the "true" scientific method: both start with a problem, followed by the formation of a tentative theory or hypothesis, which guides data collection. The hypothesis is then investigated and the conclusions drawn.

Pedler (10) has suggested that Action Research differs from the traditional process because it starts not from theory but from observations on the problem, with no preconceived ideas. This would seem somewhat ideologically naive, and not a key differentiating feature.

The main differences between Action and "pure" research traditions have been proposed by Gill (2) to be:

1: Problem Presentation:

The Action Researcher usually works on a problem presented by a client, or sponsor, or at most mutually agrees the problem definition with the sponsor. The

basic researcher on the other hand is involved with solving a theoretical problem which may or may not have practical application. The latter aspect is of secondary consideration. The pure researcher has to seek compliance from a passive organisation who can supply information in accordance with the researcher's wishes.

2: The Contract

Both approaches involve a point where the researcher contracts to undertake work with the sponsor's system. However, the Action Researcher must develop an understanding with the sponsor and win acceptance of his abilities and the value of the joint approach. The respective goals of each party to the contract must be established and respected by all concerned. If this stage is not undertaken satisfactorily, the Action Research method is likely to be unsuccessful; conflicts will arise which may be counter-productive. The basic researcher, however, has a more detached role in his relationship with those being researched. This stage is important to him to provide the necessary data, but once the data is collected, his relationship with the people in the system under study can deteriorate without seriously affecting his results.

3: The Researcher's Role

The basic researcher is usually in a detached role. He is interested in exploring a problem and the ability to test his hypothesis. His main responsibilities are not to help an organisation with its problems and certainly do not include any responsibility for implementing change. The Action Researcher, on the other hand, has to resist being cast as an expert on the problem under study. It is in everyone's interest that the problem is tackled on a collaborative basis. The assertion of an expert status might stifle in-company development of skills and initiative. Each party in the collaborative exercise can have ideas to contribute and each source is equally valid.

4: Problems and Hypotheses

To justify being called "research", work undertaken by the Action Research methodology must add to a body of theory. This assertion would seem to cause the greatest doubt about the merits of Action Research. Problems and associated hypotheses that are too general to test abound in the social sciences. However, highly specific hypotheses which are easy to test are often inconsequential. In order to test a theory, hypotheses are essential, and in order to test them in action (an ingredient of Action Research) might involve experimental controls of the type not viable to a sponsor under competitive pressures. The basic researcher has no such problems of contribution to theory. Whether the theory has relevance to the (business) world is not usually at issue in his research.

5.4 THE APPLICATION OF ACTION RESEARCH

Action Research is likely to be difficult to undertake and justify mainly because it serves more than one master. It must satisfy the sponsor of the research as well as the scientific/academic community. Also, by its very nature of devoting resources to understanding the dynamic system and the needs of the implementation, it is unlikely to push back the frontiers of knowledge on a specific topic as far as the application of a basic research methodology. Consequently, the Action Research approach would not satisfy sponsors who believed they were fully in control of a system, and could implement any change to it. Hence strains are likely to develop during the course of a project because the sponsor wants attention paid to his problem, whereas the researcher may find the need to contribute to knowledge (publish results) more worthwhile from the point of view of his own objectives (career development and progression). Rapoport[11] has claimed that Action Research:

"aims to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of (social) science by joint collaboration within a mutually acceptable framework"

He also adds that the distinguishing feature of Action Research is in its immediacy of involvement in the action process. Foster (12) believes that one should also stress the need of the sponsor and researcher to be involved in change.

There seems to be an undue emphasis in many descriptions of Action Research on the need to wreak change in the system under study. There does not seem to be any major reason for this insistence. Admittedly, it is usually assumed that the solution of a problem will require some form of change, and research is not often requested unless there is a problem. However, research could be undertaken to review a situation and show that there is no need, at present, for any change. There seems no reason why the Action Research methodology could not be utilised satisfactorily to both sponsor and researcher's benefit; each would learn about the system studied by interacting with the other.

This possible difficulty over definition could be resolved by describing "Action" as being any interaction between researcher and sponsor organisation, such that the latter at least gained knowledge and insight about the system under his control, and upon which the research was conducted.

The definition of the "Research" component would include the derivation of new knowledge of any kind and form, which could be incorporated into the recorded and transmitted body of theory, method and practice.

5.5 SUMMARY OF ACTION RESEARCH METHODOLOGY

It seems that the necessary conditions for Action Research to be undertaken on a particular problem are that:

- (a) the sponsor and researcher agree on the problem definition
- (b) the sponsor and researcher agree and acknowledge each other's objectives in undertaking the research: the former requires a problem to be examined for a possible solution; the latter requires to develop knowledge on the problem area for wider dissemination

- (c) the sponsor and researcher must honour each's commitment to the attempted achievement of the other's objectives
- (d) the exercise must be fully collaborative

For an Action Research programme to be implemented, it would also seem desirable that the researcher has a good working knowledge of the system under study. This is so that he can:

- i: communicate with the sponsor, at all levels, in his language, if necessary, from the commencement of the programme
- ii: gain the confidence of the sponsor by being sympathetic and understanding his particular problems
- iii: frame his requests to the sponsor for information in economical terms and not be greedy for the sponsor's resources, which are likely to be limited
- iv: not raise the expectations of the sponsor beyond those that can be sensibly expected
- v: possess a small degree of expertise so as to occasionally help in the sponsor's operational situation by directing him to advice, and thus encouraging the researcher's involvement (i.e. maintain two-way information flows)

He will also need to be modest so as to allow what might be his idea to be disseminated by others, for the sake of the development of the project.

Action Research serves at least two masters: the sponsor and the research/academic community. Because of its dual aims, it is likely to be perceived as achieving less with given resources than an exercise aiming mainly to satisfy one goal, be it problem solving or knowledge/theory development.

5.6 WHAT CONSTITUTES THE DEVELOPMENT OF KNOWLEDGE AND/OR A THEORY?

It would seem that the most contentious aspect of the Action Research methodology is its ability to "contribute to knowledge". It is, therefore, desirable to attempt to summarise what appear to be the essential ingredients of "contributing to knowledge" and what are the accredited methods of achieving this. This is a pretentious aim since the topic is a major philosophical one. However, for completeness it is necessary to gain a perspective from which to appraise the research we have conducted.

5.6.1 Theories

The ultimate aim of research is to explain, by a set of theories, events that are observed. One theory can be compared with another in terms of:

- (a) its generality and ability to explain many different observations
- (b) its extent of development in terms of the number of other theoretical postulations that can be deduced from it
- (c) its simplicity (i.e. technically, how parsimonious it is)

The chief purpose of the theory is to summarise a variety of observed events and situations so that apparent knowledge can be stored and transmitted.

A theory contains a set of concepts and it is capable of producing by deduction a set of propositions. The theory may be abstract but would be capable of producing more concrete propositions, i.e. from the general to the specific or from a high order proposition to a number of lower order propositions. If the lower order propositions are less abstract and capable of observation and measurement, then the lower order propositions will help empirically to verify the overall theory. Strictly speaking, a theory can only exist if such a verification process has been undertaken and this substantiates the theory. A theory would seem to possess, therefore, three properties: concepts, propositions and the empirical verification of the propositions.

In the management area, there are many so-called theories, but few fulfil all three conditions. Often a "theory" consists of a number of concepts and some propositions, but these latter are not empirically verified. The "theory" in this case is a hypothesis, that is a potential theory. If the propositions deduced from, or contained in, a proposed "theory" are not specifically stated as to be empirically verifiable, then the "theory" is only a speculation. Speculative "theories" are not to be denigrated but should be seen as formative statements needing further thought and refinement.

A theory is not absolute - if it were it would be a law. A theory rests on the empirical verification of its propositions. The empirical verification is done by examining observations which are probabalistic in nature. Hence a theory is only as good as the basic observations on which its propositions have been tested. In fact Popper (9) has emphasised that an essential characteristic of a theory, or hypothesis, is that it is falsifiable. For example, Newton's "laws" of motion do not hold for extremely high speed particles; that is, Newton's theories are not necessarily extrapolatable to situations for which propositions based on his theory have not been tested. When propositions derived from a theory do no longer correspond to observations, this should give rise to alternative theories and further observation. This seems an essential feature of the development of understanding and research should continually test propositions and if appropriate revise theories.

5.6.2 Deduction and Induction

It has been suggested so far that a theory contains a set of propositions that have been deduced from a higher order concept. Empirical tests can then be made to examine these subsequent lower order propositions. However, in the inductive procedure, one observes first and formulates the lower order propositions. From these empirical observations, the tentative higher order propositions are stated. Again, as with the deductive approach, one then needs to deduce some lower order propositions and then test them empirically.

It might be argued that operationally there is no difference between the two in that, although the deductive approach starts with the theory, or higher order propositions, the inspiration for this comes from somewhere and this is mostly from observation. If one uses second hand information or sets out to examine someone else's theory (primarily literature based), then one should essentially be following the deductive route.

The dichotomisation of the research process into these two routes has been roundly criticised, particularly in the social sciences. C. Wright Mills (13) suggests many fallacies in blindly adopting either approach. He points out that some sociologists argue that "science" is developed by amassing many pieces of information out of which theories will emerge (the inductive approach basically). Mills argues that the choice of which bits of information to collect is crucial to what theories will emerge.

Similarly criticised are those who develop theories (about society) in the abstract first and then attempt to explain all the subordinate parts. The idea that general theories are floating around in the abstract and can be absorbed and refined by the perceptive mind (the deductive approach) is suggested to be pretentious and presumptive.

Basically, Mills and others have claimed that the shortcoming of the first (inductive) approach is that it never considers the whole system under study, and that the second (deductive) approach may not be based on any study of the system as it operates.

5.6.3 Criticisms of Theory Development

The various criticisms of the routes to developing theories seem to conclude that the relationship between theory and empirical research is of a dialectical nature. It is asserted (eg: Coulson and Riddell (14)) that in the process of testing by empirical research, ideas derived from common experience or previous study, theories are developed which are then refined and modified in *application*. This process will be subject to distortion because of the frailties of empirical data and interpretation, and so should be a *continuous* process.

What is critically termed "abstract empiricism" - the inductive approach - seems to have been associated with static mathematical/statistical techniques. In the marketing research literature there are many exercises reported where information on a few parts of the marketing system is examined for its apparent *causal* relationship with observed sales results. The data used usually relate to a period of some time previous, and have often been collected for a variety of purposes (see Report No.2(ii) for a review of these studies). Chief among the techniques used is "multiple regression". Its attraction is that it is easy to use and always yields a "model" which is often taken to be equivalent to a proven "theory". One would argue that only if a set of new propositions were derived from the "model" and independently empirically tested, would one be approaching a "theory".

The other route of "Grand Theory" - the deductive approach - is criticised in the social sciences for spawning new words and describing the complexity of social systems in a complicated way, and doing nothing to help explain it, or are just stating the obvious (eg: C. Wright Mills (15)). Examples of "Grand Theory" abound in the marketing literature, but are usually found to be unverifiable or not verified. For example: (a) Howard and Sheth's "A Theory of Consumer Behaviour" (16) and Farley and Ring's attempted test "An empirical appraisal of the Howard and Sheth Model" (17), and (b) Lavidge and Steiner's "A Model for predictive measurements of advertising effectiveness" (18), and Palda's evaluation "The Hypothesis of a Hierarchy of Effects" (19).

The real test of such "Grand Theory", it could be argued, is the utility of such theory to the system being theorised about.

5.7 TYPOLOGIES OF RESEARCH METHODS

Any doubts about the utility of Action Research could stem from a misunderstanding of its purpose. As suggested before, there are *dual* purposes. An observer of an Action Research study could be confused, and maybe critical of the study, if he does not appreciate the dual purposes and that they are necessarily interlinked. He is likely to wonder whether the purpose of the study is, for example, to understand better the way management tackle a problem decision, or to model the decision area so as to predict the outcome of various decisions, or to make managers better decision makers. He may well feel that the nature of the problem should determine the (research) skill required to tackle it. He may also feel that the outcome of the study should either be a statement of facts, or an evaluation of a situation, or a prescribed course of action. His expectations of the outcome would be related to the nature of the problem.

The appropriateness of a particular discipline to a problem can only be judged against the purposes of the study. The dual purposes of Action Research make it likely that it is perceived by observers as not rigorously following a particular discipline, or research methodology. Eilon (20) has argued that research approaches can be broadly classified into seven archetypes. Although research workers do sometimes encompass properties and outlooks from more than one discipline, Eilon suggests that there are fundamentally different approaches to research. He feels it is important to discern the

different approaches to help explain research in management. He claims that the seven archetypes differ in their basic *purpose*, and that if this is not appreciated in management research, arguments about relevance and validity will remain unresolved.

Eilon postulates seven types of researcher:

- * the chronicler
- * the dialectician
- * the puzzle-solver
- * the empiricist
- * the classifier
- * the iconoclast
- * the change-agent

The *chronicler* is the detailed observer who records for posterity facts or patterns of behaviour. His presence in the field of study is intended to have no effect on the subject matter whatsoever. Much market research would come under this heading, particularly where its purpose is to establish the position of the company relative to the market, its customers or competitors.

The *dialectician*, it is suggested, believes that to elicit facts and understanding concerning a system involving people, it is necessary for the researcher to interact with the system. He must stimulate debate and unsettle the system so as to expose information that might otherwise have remained hidden. The dialectician, Eilon maintains, accepts that he may have a residual effect on the system but this is a risk *he* is prepared to take for the sake of gaining more objective information. He does not intend a therapeutic role nor is he possessed of a missionary zeal. The dialectician is an interactive chronicler. Group discussions and depth interviews might be so classified.

The *puzzle-solver*, Eilon suggests, is less concerned with information collection than the intellectual stimulation of solving a well-structured problem. Eilon makes the point of calling this type of research "puzzle-solving" since it may not be associated directly with a real-world problem. "Academic" research is often perceived by outsiders, and businessmen particularly, as being of the puzzle-solving type. The suggestion is that the puzzle-solver does not care and does not appreciate the real world problems - he is not a problem *definer*. Santayana is credited with saying that problems fall into two types: those that are well understood and have simple answers, and those that are not well understood and do not have

solutions. Puzzle-solvers are attracted to the latter and the opportunity to delve into abstractions, so Eilon believes. Media selection model builders have latterly been accused of this fault. They are said to ignore the way media are actually used.

The *empiricist* is one who concerns himself with organising and categorising data and information collected by others. His purpose is often to reveal insights about the total system under study that may not be perceived when no order is imposed on the data. He must produce definitions that identify the common elements in members of the various categories he proposes, and that differentiate between categories. This process requires a tentative understanding of the system and how it is believed to give rise to different members.

The *iconoclast*, Eilon suggests, conducts research by challenging current beliefs. He questions assumptions that he believes are arbitrary or doubtful; he questions the reasoning followed to assert beliefs; he tries to apply conclusions from beliefs to specific cases or to generalise from beliefs; he identifies inconsistencies in beliefs; he cites evidence which refutes the beliefs. The iconoclast may be positively critical and propose his own set of beliefs which he challenges others to refute. The systematic collection of data or information is not usually associated with the iconoclast: he tends to be prompted by the ad hoc emergence of fresh evidence which he is able to use to help refute other's beliefs.

The *change-agent* Eilon defines as being one "whose prime objective is to change a given system, not by merely studying it and proposing (in a consulting role) how it could be altered, but by being part of the system (at least for a while) and helping change it from within. Unlike the dialectician, the change-agent debates issues with members of the system, not just with the object of everyone concerned gaining a better understanding of its structure, but with a view to influencing their attitude and mode of operation, even with the intention of changing the structure and organisation of the system". There are two types of change-agent, though. One acts as a catalyst and does not impose his views or challenge current beliefs; he just helps others evolve their own solutions. The other type is more of an activist: he tries to steer the system towards a particular course of preferred behaviour. He may even argue the case for his conclusions but will take responsibility for certain aspects of implementation.

".... the question of whether the change-agent may be regarded as a research worker remains. Those who believe that the purpose of research in management science is to

identify, extend and unify scientific knowledge pertaining to management may regard the change-agent with utmost suspicion, while he may argue that his investigation methodology is not drastically different from that of the dialectician, and that adjustments that are incorporated in the system give him even greater opportunities to study the empirical effects of change".

5.8 ACTION RESEARCH AND THE RESEARCH TYPOLOGY

The purpose of Eilon's exposition of research archetypes was to expose the different purpose in undertaking research that is implicit in different research methodologies. He felt this would enable judgments to be made more advisedly on management research exercises. He left open the question of whether the "change-agent" was a true researcher. The Action Researcher, as defined earlier, does not fit any of Eilon's archetypes completely. In some respects he embodies the same purposes as the change-agent and hence qualifies for much of the criticism and suspicion levelled at the change-agent.

Because an Action Research exercise has two basic objectives, it is likely to employ more than one methodology or research archetype. The researcher is likely to act as an information gatherer and sifter both for himself, the study, and the sponsor, and so is likely to be a chronicler and/or a dialectician as the need arises. It will not be good policy for him to adopt the stance of the puzzle-solver or iconoclast at the outset of a study, since that may not engender cooperation. However, these particular ploys may become necessary as the study evolves. Similarly, the role of empiricist might be desirable when it seems appropriate to jointly test some hypothesis in a systematic way. Finally, it may be necessary for the researcher to become the change-agent in order to fulfil his obligation to help the sponsor appreciate the outcome of the study.

In reality, therefore, an Action Research study is likely to evolve through several stages at each of which the researcher is undertaking a particular methodology for a particular purpose. The *outputs* of the study are what it will be judged by. The methodology employed will also be judged by the outputs. The Action Research study is likely to be faced by a dilemma. Material that is appropriate and desirable for one audience is not necessarily appropriate for another. Action Research has two purposes and therefore two audiences: the sponsor and the academic community.

The communication of the findings of Action Research studies is, therefore, crucial. The sponsor is likely to be unsatisfied by academically-oriented outputs and the academic community will not highly value those findings that are aimed at the practitioner and are not supported by details of the rigorous methodology and data. The sponsor and the academic community are likely to have different needs from an Action Research study, and so will require different forms of communication.

5.9 CONCLUSION: ACTION RESEARCH AS A METHODOLOGY

There would seem to be no a priori reasons why the Action Research approach should be rejected as invalid for conducting research in management areas. It must be appreciated that an Action Research study necessarily has more than one objective and aims to serve two communities: the sponsor (i.e. the management organisation), and the academic world.

The contract between the sponsor and researcher must acknowledge the dual needs of the study. The methodology used during the study is likely to evolve through several types. The communication of the findings of the study at the various stages will have to be tailored to the different audiences that are appropriate to the study's various objectives.

An Action Research study and the Action Research approach should only be judged on its outputs relative to its objectives. It has *dual* objectives. Its outputs are likely to be of two forms: one addressed to practitioners (the sponsor) and one addressed to the world of (academic) learning.

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Chapter 6: AN APPRAISAL OF THE STUDY OF THE MEASUREMENT OF ADVERTISING EFFECTIVENESS

6.1 INTRODUCTION

This exposition has described a study of the "Measurement of Advertising Effectiveness" upon which the author has been engaged. A series of 11 reports have been produced during the course of the study, and their contents and role in the conduct of the study has been described.

The purpose of this chapter is to appraise the study and its reports in order to determine their contribution "towards an understanding of the effectiveness of advertising". - the title of this exposition.

The particular reports that have been produced were, in many respects, a function of the overall approach adopted to the study. The study was conducted as a collaborative one, between a group of sponsoring companies and the research team, based in an academic institution. The relationship between the sponsors and the researchers evolved, as did the content of the research. Hence, the nature and purpose of the reports changed during the course of the study. This exposition has described the broad research approach, so that the reports can be seen in context.

The main aspects covered in this chapter are:

- 6.2 What have been the outcomes of the study for the sponsors?
- 6.3 An examination of the research approach used in the study against the criteria of Action Research.
- 6.4 A statement of what has been learnt from this study about undertaking such programmes of research on advertising management.
- 6.5 An examination of some possible criticisms of the approach adopted in this study.
- 6.6 A summary of the potential contributions from this study to the system of organised knowledge on management.

Finally, some overall conclusions are offered in this section.

6.2 OUTCOMES OF THE STUDY OF POTENTIAL USE TO SPONSORS

From Report No.2(i) onwards, there has been the continual suggestion that advertising evaluation is not possible without advertising objectives. The later reports have also suggested that effective advertising is likely to be that which is efficiently managed. Efficiency in management is something that most companies can do something towards improving. Hence, one of the major potential outcomes of the study has been to indicate that by not setting specific *advertising* objectives, companies may not be managing their advertising as efficiently as possible. There is no suggestion that efficiency equals optimum use of resources, but it is suggested that improvement and reduction of waste may ensue.

Another theme has run through many of the earlier reports and is believed, by the author, to be of benefit to the sponsors. At the commencement of the study, there was widespread confusion between "measurement" and "effectiveness". Effectiveness tended to imply such things as: improved, profitable, a noticeable effect on sales. Measurement was assumed by some sponsors to imply effectiveness in achieving desirable business goals. By emphasising that advertising is used for many different purposes, the study has put the terms "measurement" and "effectiveness" into a practical marketing management context, and removed, hopefully, the emotive overtones.

Report No.10 presented a certain amount of evidence that advertising objectives were measurable, if it was felt necessary to do so. A necessary condition for the achievement of this is stated to be clear precise objectives. The main potential value of this finding may be to give some sponsor companies the confidence to try to measure their advertising. It is suggested that the discipline of setting the necessary advertising objectives is likely to have as much value as discovering the level of achievement of the advertising subsequently.

One of the chief complaints of those responsible for advertising in companies, is that they are unable to defend the budgets that they set for advertising. They readily admit that the budgets are usually set in the first place on rather tentative criteria. In Report Nos. 8 and 11, it is suggested that until advertising budgets are set relative to advertising objectives, and 'Case Law' is developed relating expenditure to the achievement of the objectives, advertising budgets will always be difficult to defend. The iterative process advocated in the comments on Report No.8, is suggested to provide a more logical framework for management discussion of advertising budgets.

It is hoped that the sponsors will use the reports that have been presented as reference documents, and also to update new colleagues. In this context, it must be mentioned that a comprehensive bibliography of references to advertising has been produced and published by the research team. A library of photocopied articles quoted in the bibliography is also available to the sponsors, and others.

It was observed that some sponsors had changed their behaviour and/or attitudes, and these outcomes were described in Chapter 4. However, it was also observed that it took at least a year for these changes to become apparent. It is possible that changes will occur in yet further companies as contact continues.

In Report No.1, some 20 research topics were identified as being those for potential study in the course of the project. This listing of topics was generally endorsed at the time by the sponsors. By the end of the study, many of these topics had been considered either in the main project, or as the subject matter of an occasional paper. Hence, in this respect the project must have fulfilled some of the sponsors' desired outcomes.

Some of the sponsor companies had a rapid turnover in personnel responsible for advertising decisions. These sponsors were the most difficult to whom to communicate the findings of the research, and to generally involve in the study. It is believed that personnel turnover has hindered any response to the study's findings in such companies. Additionally, these companies were those who left the group of sponsors at the end of the initial three-year period, with one exception.

Some of the members of the Committee of Sponsors were originally looking for advertising's "Holy Grail" in the study. A few may have been disappointed that the "secret" has not been discovered. However, it is hoped that the study has put the problem of measuring effectiveness into context. It is hoped that arguments about the "rightness" or "wrongness" of various measurement techniques have been examined against the purpose of the advertising under scrutiny. It has also been emphasised that there can be two purposes for measurement in marketing systems:

- (a) to determine if a goal has been achieved; and/or
- (b) to help understand why the goal has or has not been achieved, i.e., for diagnostic purposes

Different aspects of a marketing system, including advertising, could be examined and measured to satisfy either of the two purposes.

In the appraisal of Report No.3, it was shown that the Committee of Sponsors requested that the study should produce comparative data on advertising expenditures, research expenditures, media use, and such like, across the sample of sponsor companies. This information was provided in Report Nos.6 and 10. Hence, this small requirement was provided to those interested, to compare their company against others on these criteria.

Some sponsors did not appear to benefit from some of the findings of the study that could have been of particular value to them. For example, one company conducted an inconclusive media expenditure test *after* Report No.5 had been issued which warned of the difficulties of such exercises. Their obliviousness of the contents of the report, which might have helped them, was not entirely their fault. The research team knew that sponsor companies did not always read reports. This situation was ameliorated somewhat later in the study by providing Executive Summaries in the reports, and later still by running workshops or seminars on the findings of the study. Hence, some potential gains from the study may have been lost by sponsors because of inadequate communication between sponsors and researchers.

Another reason for the possible loss of impact of the study's findings could be attributed to styles of management. In one company it was known by the researchers that synopses of their reports were made, by the market research manager, for dissemination to the rest of the marketing managers. In other companies, however, it was known that research reports never went further than their representative on the Committee of Sponsors.

As described in the Methodology chapter, Report No.11 has been presented at one-day seminars to many of the individual sponsor companies. At these events, company executives often agree with most of the observations and advices contained in the report. Their complaint, however, is often that they are not allowed to put such fine ideals into practice by less well-informed "senior management". The study may, therefore, be criticised for not attempting to involve senior managements fully, to encourage the full achievement of the findings of the project.

Report No.11 was an attempt to produce a document that would appeal to senior management in all sponsor companies. It presented some of the findings of the study in very condensed form. However, its main content represents general observations on possible pitfalls in the management of advertising. It, therefore, represents what has

been termed a *sophisticated checklist*. This report was extremely well received by the sponsor companies.

There are probably many other small benefits to the sponsor companies. This is suggested by many of them requesting to continue to sponsor the collaborative project for future research. Such benefits probably include:

- (a) the opportunity to meet people from other companies, who have similar problems and interests, at sponsors' meetings
- (b) the opportunity to compare their practices against those of other companies: a minor form of "interfirm comparison"
- (c) the opportunity to ask an impartial source (the research team) for comments on research proposals, advertising problems and for information in the literature on such topics.

It is difficult to assess the full impact of the study on the sponsor companies. As noted in 6.4, the reasons for different companies joining the group of sponsors were varied. Hence, what one perceives as valuable, may be thought by another to be inconsequential. A facile judgement, perhaps, on the value of the study to sponsor organisations is that seven of the original sponsor companies did not wish to renew their sponsorship after the three-year period, but that seven new organisations have joined the group either during the first three years, or subsequently.

6.3 THE RESEARCH APPROACH AS ACTION RESEARCH

Chapter 5 reviewed what seemed in the literature to define the Action Research methodology. Briefly, it was summarised that the necessary conditions for an Action Research programme to be undertaken were

- (a) that the sponsor and researcher should jointly agree the problem definition

- (b) that the sponsor and researcher should acknowledge each other's different objectives in undertaking the research: the former requires a problem to be examined for possible solution; the latter requires the opportunity to develop and publish knowledge pertaining to the problem area
- (c) that the sponsor and researcher must honour each's commitment to the attempted achievement of the joint objectives
- (d) that the exercise must be fully collaborative

Some important differences between the study reported here and those reviewed as Action Research in Chapter 5 are:

- i: There were many sponsors, rather than one organisation or company
- ii: Although all sponsors had the same broad objective for participating, many had different particular reasons for being involved, eg:
 - (a) some wished to reassure themselves that their knowledge and practice was the same, or better than other similar companies
 - (b) some hoped to learn from other companies
 - (c) some individuals wished to have a vehicle to keep in touch with any developments in research
 - (d) some individuals wished to belong for status reasons
 - (e) some companies were involved for philanthropic reasons.

These suggested reasons are my subject assessments, but they are derived from over three years' contact with the sponsor companies and their representatives.

- iii: Each sponsor company had only a small financial commitment to the study

- iv: The fact that the study sponsor was a group of companies allowed the possibility of "interfirm comparisons" and comparative analyses across a range of situations
- v: A multi-disciplinary research team was employed
- vi: Selected new sponsors were allowed to join the group during the conduct of the study

None of these differences would seem to seriously jeopardise the ability to conduct a piece of Action Research. Indeed, they would mostly seem to enhance the group - learning aspect of this style of management research. Point ii is potentially hazardous, and calls for a perceptive research team who are able to ensure that the study's output contains items of interest to satisfy the range of needs of the sponsors. As noted in 6.5, however, this need can cause compromises to be made in the pursuit of any single research objective.

During the course of the study, the relationship between the researchers and sponsors changed. I believe the researchers gained, and were perceived to have gained greater expertise and knowledge on the topic of study. To a small extent, the teachers became the pupils. This seemed acceptable to sponsors.

Although the study produced many reports on its work as it progressed, the written word was not the only means of communication. Personal contact and group meetings of various sorts were held regularly. However, it must be appreciated that those not in direct contact with the conduct of the study might perceive that the only output was the reports that were presented.

The particular research methodologies employed in the course of the study were those deemed appropriate to the particular stage of its development. Hence, various modes were used, which ranged from the establishment of a taxonomy of advertising objectives and their effectiveness measures, to a comparative analysis of these against various criteria. Information for the study was gathered by interview and questionnaire, depending on the nature of the data required. Wherever possible, information from sponsors was sought to be confirmed by them before use in the study.

Although the original objectives of the study, as set out in Appendices I and II, stated that all promotional activities would be examined, in the event only display media advertising was considered. This limitation, however, was fully agreed with the sponsors and indeed advised by them before the main empirical work was undertaken.

Conclusion: The study reported here would seem to qualify as a piece of Action Research, as broadly defined in Chapter 5. It does seem to have some important differences to other such studies, however, from which they could possibly benefit.

The possession of multiple sponsors for the study provides extra resources for all to benefit from, without seemingly to detract from the study's objectives.

By comparison with this study, the apparently accepted purpose of Action Research could be criticised. The term "Action Research" seems to imply the need to induce *change* in the system being studied. In the review in Chapter 5, it was noticed that there was an undue emphasis in the literature, perhaps, on the need for problem *solving* in Action Research. I would suggest that the study reported here has shown the importance, in Action Research, of problem *finding*. Action Research could be suggested to involve three stages: problem finding, problem solving and solution implementation. Other Action Research studies seem to have emphasised the need for the researchers to stimulate change either by being activists, or, at the very least, catalysts for change. I would suggest that Action Research studies do not have to wreak change on a system to produce research findings valuable to all. This perceived need to produce change is, perhaps, borne of comparisons with the physical sciences where in order to study the effect of a variable, one must stimulate it to change. The study reported here has produced, so far, few changes in sponsor companies. Yet it could be argued that some valuable findings have emerged, both for the sponsors and for the world of management teaching. Information and understanding gained from others do have a value, but may just provide the confidence to retain the status quo.

In the review in Chapter 5, it is suggested that an Action Research programme has two basic objectives: one to solve the sponsor's problem and one to provide the researcher with information to advance the state of knowledge for the teaching/academic world. I believe that in the study reported here, there are at least three objectives, the third being that of the individual researcher, whose personal objectives may be different, though not contradictory, to the goals of the research institution directing the study.

6.4 WHAT HAS BEEN LEARNT FROM THIS STUDY?

In this section, some observations are made on some practical points, gained from the study, that could be of value to other such studies.

No advertising agencies or media owners were members of the group of organisations sponsoring the study. This was in order to aid the study's aim of being seen as having no commercial pressures. Access to sponsors' confidential information was never hindered. The research team felt sponsors were able to "bare their souls" in a way they would not have done to commercially-interested parties.

All extra services provided by the research team, or in connection with the study, over and above the production of reports and visits to sponsors, were charged at a commercial rate. This was on the insistence of the study's directors, and maintained the realisation by sponsors that the study was not a cheap form of consultancy with only one objective of solving their company's problems.

Communications between sponsors and researchers are important, but are likely to be different from communications between researchers and the academic world, which they also hope to serve. The study reported here was fortunate in being able to learn this lesson slowly. The basic lesson is that different audiences require different material in different forms. The most accepted report by the sponsors was Report No.11, the language of which was as non-academic as possible. A document produced 18 months earlier (based on Report No.6) and destined for outside sale, rather than for the sponsors, was in an academic style. It was referred to as "boring but essential" in the FINANCIAL TIMES (30.4.1974). Earlier in this section mention has been made of the fact that one of the sponsors had not read Report No.5, and subsequent to its publication, committed the errors warned against in the report. Report No.5 could, perhaps, have been more management-oriented.

No minutes of the meetings with the Committee of Sponsors were published (except in the case of the meeting which discussed the Research Plan (Report No.3)). The research team always decided the agenda for the meetings. Although the study was collaborative, this arrangement was never questioned, and allowed the initiative to remain broadly with the research team.

New sponsors were allowed to join during the course of the study. This was particularly acceptable after the formulation of the research plan, since the research team knew the sort of products they would like to augment the sample they had already chosen from within existing sponsor organisations.

The security and confidentiality of information offered by sponsors was rigorously maintained. No complaint was ever made in this respect, and the researchers' credibility allowed them access to any information they sought.

Companies with a rapid change of personnel in the marketing functions responsible for liaison with the research team, tended to contribute least to the study and almost certainly gained least.

The fact that the study had three broad objectives caused potential conflict. A clear statement of these objectives at the commencement of the study, and an appreciation of their operational meaning by all involved, would help avoid conflicts. As it happened, little conflict did occur, but more because of the mix of personalities involved and the relatively frequent meetings.

It took at least a year for one of the major propositions emanating from the study to be accepted. Hence, any Action Research study hoping to stimulate change quickly might not have much success. Studies such as the one reported here, probably have to be conducted over several years to help establish changed attitudes.

More debate and involvement was generated at sponsors' meetings when research findings were given in the form of presentations. This augments the point made about sponsor-researcher communication forms.

The study produced some 11 main reports, and seven occasional papers. This probably helped give the appearance of great industry on behalf of the sponsors. This is a subjective assessment and no formal evaluation was undertaken of sponsors' use of the reports. Such an exercise might have alerted the research team to the need for different forms of communication in some cases. The request from sponsors for literature reviews to be more prescriptive was acted upon, and Report No.4, though comprehensive, was selective. Report No.8 gave judgements on the literature.

The group of sponsors needs to be kept quite small so that a personal relationship can be maintained with the individuals concerned. Without this, part of the *raison d'être* of the collaborative study is lost and communication difficulties arise.

The research plan did not cater well for all sponsor companies, eg: service companies were sparsely represented in the sample of products studied. Hence, they stood to gain little from the comparative analyses initially proposed. The retention of their support is partly explained by the point made earlier, that organisations were involved in the study for a variety of reasons, including philanthropic ones.

The fact that companies had only to contribute a small sum to sponsor the research was attractive to all, but is a potential disincentive to continued commitment. All companies that have become sponsors after

the commencement of the study, have stressed that the demands on executives' time is likely to be a more important consideration.

In general, it was found that the turnover of marketing personnel in sponsor companies was rapid. It is all the more important, therefore, that the research team should remain the same throughout an Action Research study of the type described here. They must be prepared, and have the time, to periodically introduce the study and its objectives to new personnel in sponsor companies. This is a part of the continuing communication task.

6.5 AN EXAMINATION OF POSSIBLE CRITICISMS OF THE APPROACH ADOPTED BY THE STUDY

It is anticipated that the main criticisms of Action Research studies are likely to arise from a lack of appreciation that there are multiple objectives. The main purposes of the study reported here were two-fold: to examine the problem for sponsors, and to attempt to interpret the examination for the development of teaching and academic research. The resources available for the project were therefore spread across a wider range of purposes. Judgement of progress on only one of these purposes may conclude that poor performance was being achieved.

A particular criticism of the research reported here is that it is based on circular arguments. For example, as McDonald (1) has said:

"While one must agree that advertising can be used for different purposes and that any attempt to understand its effects should take these into account, I believe that Cranfield are putting the cart before the horse. The trouble is that *because* there is ignorance of advertising effect, people have no basis on which to *set* objectives in the first place. Thus the objectives they do set (when they do propose any) tend to be circular: they reflect their existing preconceptions as Cranfield found".

The last sentence refers to one of the analyses in Report No.6. However, McDonald does not appreciate that the overall purpose of the study was not to determine what advertising objectives should be set. That would indeed be a laudable aim, but it was not our main intention. One of our purposes was to demonstrate that ad-

vertising objectives, whatever they were, were measurable. McDonald can be excused for misinterpreting the aim of the study. It highlights the need to consider the way in which information is disseminated to all potential audiences and people interested in the research. McDonald was presuming, and I have spoken to him, that the study was being conducted for one main purpose - that of sponsors.

Similarly, any criticisms aimed at the use of particular research methods during the study may miss the point of the overall study. The particular parts of the three-year study have been a means to an end. An individual part of the study must be judged on its contribution to the whole project, as must the series of reports presented. However, this does not mean that incorrect practice in research should be accepted.

The sample of products used in the empirical part of the study is in no way representative of a cross-section of all advertised products. The sample was used because it allowed a certain general proposition to be provisionally tested. The overall purpose, though, was to persuade sponsor companies to set advertising objectives and measure them themselves in future. The study will learn much more from this than from an historical analysis of even a more representative sample of products.

Information was not gathered from organisations other than the sponsor organisations. This was firstly because the research team did not know what information it needed until it had undertaken the initial reconnaissance; and secondly, because the team had an obligation to make the study fully collaborative and this meant devoting time to sponsors which did not leave time to consult non-sponsors. Also some sponsors felt the study should be exclusive to them within the embargo period of the reports. Finally, reasons of confidentiality usually precluded any other organisations from volunteering collaboration to the level required.

In general, the misunderstanding of, or lack of sympathy with, the research methods and findings is likely to be due to inadequate communication of its complete set of goals. Although sponsors were aware that the reports were not the only means of communicating the results of the study, outsiders were not. It must also be remembered that the study evolved over time, and so the interpretation of the aims changed.

As is admitted in the next section, the empirical research that was conducted, was not exhaustive or indeed rigorous. The findings are biased in favour of producing positive results. However, these "findings" were part of an overall research strategy akin to the

Action Research objectives of encouraging trial of new ideas so that all can observe the outcome, and learn.

6.6 A SUMMARY OF THE POTENTIAL CONTRIBUTION OF THE STUDY

As noted in the review of Action Research, the main criticism of it is that it is not a rigorous discipline and as such does not contribute to knowledge.

It is perhaps the prerogative of others to comment on the worth of this research. A summary is presented here, however, of what seems to have been achieved, and to what conclusions this seems to point.

The terms of reference of the study, which have been stressed throughout, were to examine the problem of the measurement of advertising effectiveness. This was to be conducted to

- (a) identify and evaluate current practices
- (b) develop more effective operational procedure
for sponsors
- (c) develop more fruitful academic teaching and
research

Each of these tasks has been undertaken. The 11 reports issued, and presented here, are mainly related to (a) and (b) above. It is hoped that the degree to which they have achieved their tasks has been demonstrated in this exposition. An important element in the study has been the need to ensure that any proposals arising out of the study can be adopted by the sponsors, if necessary. This has involved a collaborative study of the main topics with those actually having to make the decision, i.e. the managements of sponsor companies. Their needs and perception of the problem area were various, as was reflected to some extent in the study's output. The actual course of the study evolved as the problem was more carefully understood and defined, as did the outputs.

No major new findings were produced by the study; however, that is not to say that nothing of practical value did emerge. It was suggested that advertising managements did not manage their function as precisely and professionally as they could. Advices in the form of sophisticated checklists were produced at the end of the study.

For those sponsors who needed some evidence of the value of setting advertising objectives, such evidence was produced. The study provided reference material on the literature for use by sponsors and others, and also clarified the difference between measurement and effectiveness and allowed the differences between the relative merits of research techniques to be put into context.

What has the study produced in the way of fruitful teaching and academic research?

It is hoped that the recording of how advertising is managed and the critical evaluation of this against contemporary theory, provides source material for teaching - particularly when it is related to actual examples. Similarly, the record of actual advertising practice recorded in situ should help others conducting research on advertising, since it tries to explain why certain decisions are made.

It is readily admitted that the empirical parts of the study were not rigorous in the sense that all avenues were not explored, eg: in Report No.10, it is shown that certain advertising objectives were not evaluated in certain companies. Reasons were gathered from the executives responsible, but further exploration was not sought. It could be argued that reasons for non-evaluation are potentially valuable to undertaking the subject of the evaluation of advertising effectiveness. Similarly, no attempt was made in the study to examine the cost/benefit aspects of the evaluation of advertising effectiveness. These points were not at issue, nor were they in the terms of reference. Included in the objectives of the study was that of determining the means by which advertising effectiveness could be established, given current management skills and resources.

If the development of the study is put into a conceptual framework, as outlined in Chapter 5.6, some tentative generalisations on an understanding of the management of advertising effectiveness may be drawn. Figure 1 below outlines the framework round the theory that advertising is used for different purposes in different situations. It can be seen that a theory which states that advertising is used, by advertisers, for different purposes in different marketing situations, spawns a series of concepts or propositions. These propositions have been partially tested in the study reported in this exposition, and the relevant reports are identified in the Figure. Rigorous empirical testing has not been undertaken, since that was not the purpose of the research. However, one could conclude that there is some support for the tentative theory that advertising is used, by advertisers, for different purposes in different situations, i.e. marketing and/or product situations.

FIGURE 1: A Framework for the Theory that Advertising is Used for Different Purposes in Different Situations

Observations (Report No.1)



Theory: Advertising is used for different purposes in different situations



Concepts/Propositions:

- 1: Different markets/products have different advertising objectives (Report Nos.6 & 10)
- 2: Advertising achievement different in different situations (Report Nos.2(ii) & 10)
- 3: Different measurement methods used in different situations (Report No.10)
- 4: Advertising not measurable without objectives (Report Nos.2(ii) & 10)

One extension of this tentative theory is that advertising "works" in different ways in different situations. This extension would spawn another large set of concepts and propositions which could be tested empirically in many cases. In fact, Report No.4 contains much material on the sort of concepts that would be involved.

Hence, this study could be said to have contributed a very small amount of information which might lead, through further research, to the advancement of academic teaching and research. The suggestion being that further understanding of the way advertising is used and the way its achievement can be monitored, will contribute to its better management and give insights on the way it works within the audience.

The research methodology described in this exposition has been embodied in proposals for further work in the area of advertising management. These proposals are cited in Appendices V and VI. The first was written by me after joint discussion of the subject matter by the research team. The second, also written by me, is the product of discussions with Professor Wills. They cover the topics of

- i: attitude-behaviour link and the way this may be influenced by advertising; and
- ii: an examination of the use of advertising for social propaganda purposes

Hence, it is hoped that the study reported here will contribute to further research in the area through the development of a viable methodology.

6.7 REFERENCE

- (1) McDONALD, C. "The Hunting of Advertising Effectiveness"
ADMAP Feb 1975

ADDENDUM

In this exposition the author reports on work undertaken during the course of a study of "The Measurement of Advertising Effectiveness". The author was a member of a two-person team conducting this study under the general direction of Professors Henry and Wills. The second member of the research team was Dr S.H. Kennedy. Both team members were equally responsible for the general, operational conduct of the study.

Signed: *DR Corkindale*

I accept that the contents of this exposition are a reasonable view of the joint study undertaken by David Corkindale and myself. Inevitably our perspectives differ on some issues, but this is unavoidable when writing of joint activities. The exposition reflects David Corkindale's perspective, and did not involve me in any way.

Signed: *Shiril St. Kennedy*

APPENDICES

- I: An Initial Statement of Approach presented to the Committee of Sponsors at the commencement of the study.
- II: The Schema of Proposed Work for the first year of the study, which was presented at the commencement of the study.
- III: The advance letter sent to some sponsor companies prior to visiting them for the second phase of fieldwork, which was to discover advertising objectives for selected products.
- IV: The questionnaires and follow-up letter used to supplement the information gained during the third fieldwork phase.
- V: The Proposal for a Study of the Relationship Between Attitudes and Behaviour, and Advertising's Influence on This.
- VI: The Proposal for an Examination of the Methods and Effectiveness of Public Propaganda.

APPENDIX I: An Initial Statement of Approach presented
 to the Committee of Sponsors at the commence-
 ment of the study

University of Bradford Management Centre

MARKETING COMMUNICATIONS RESEARCH UNIT

Research Study on Methods of
Measuring Advertising Effectiveness

Initial Statement of Approach presented to the
Committee of Sponsors at The Reform Club, for dis-
cussion - January 12 1972

INTRODUCTION

This Initial Statement has been prepared as a basis for discussion at the first meeting of Sponsors of the Research Study on Advertising Effectiveness.

We look forward to your comments and observations on 12 January 1972.

Professors Harry Henry &
Gordon Wills

2. AREAS TO BE COVERED

As has been indicated above, the phrase "effectiveness of promotional expenditures" covers a large number of different areas, which can be classified in various ways - the evaluation of the above-the-line as against below-the-line, of techniques of measuring different creative and media strategies, of assessing the results of pre-testing, of market-testing and test-marketing, and others. The tasks of defining these, of ascertaining what data are likely to be available for their assessment, and of determining orders of priority for their examination, will need to be the first concern of the research team. Views on these may change as the project moves into its middle and final stages, but in both the initial approaches and in their subsequent development it is hoped that the practical experience of the sponsor firms will be made available to provide a substantial measure of guidance. Further, the project will be kept open-ended in the sense that whatever else empirically turns up as possibly relevant will be regarded as appropriate for consideration.

1. THE OBJECTIVES

The objective of this study is to bring together the techniques which are currently used (or which have been used in the recent past) to measure the effectiveness of promotional expenditures, and to examine and codify these in detail in the light of the empirical evidence as to their validity. Evaluation, in terms of criteria developed from the experiences of the sponsor firms and other collaborators, lies at the heart of the project.

A considerable number of different areas of promotional activity are candidates for investigation - so many, indeed, that their initial definition and selection alone will require both a significant length of time and the practical guidance of the sponsor firms. This is the reason why a three-year span has been allotted to the project, and the necessary resources identified as the full-time work over this period of a Senior Research Fellow, a Research Fellow and a secretary, in addition to the standing facilities available at the Management Centre of Bradford University. Further, the operation has been conceived on this scale because it is known that there is in existence a mass of relevant data which neither advertisers nor their agencies can spare the time or resources to examine and analyse comprehensively, independently of their current management and marketing problems.

4. METHODOLOGY

This project is essentially a study of methods, not of firms. In an area such as test-marketing, for example, we have recently been concerned not so much with discovering how many companies follow the practice as with exploring the various techniques used for assessing the individual components and projecting their results, and with examining (by studying the empirical evidence) the reliability and validity of such techniques - in short, their usefulness. Similarly, in the area of advertisement-testing, we shall concentrate much less on advertisers' preferences for (for example) recall as against recognition as against play-back scores, than on the study of what data are available to correlate these with actual performance in the market. All this will involve examination of the relevant material, on a personal and face-to-face basis with the companies concerned (sponsors and others), permitting proper analysis to be done of the relevance, content and significance of the data thus collected, and its ultimate collation into an authoritative form.

It is probably unnecessary to add that the research team, in addition to collecting empirical data at the practical level, has already involved itself in the search, study and synthesis of all existing literature on the subject; this, of course, is standard procedure for a University study of this type. It will be fully documented and reported upon during 1972.

The research team will immediately commence visits to all sponsor firms and other potential sources of information. It is hoped that this initial reconnaissance can be fully accomplished during the Spring and progress reported during Summer 1972.

3. PROCEDURES

The research team has now been appointed, and has commenced work with effect from 1 January 1972. Sponsor firms have each nominated one individual to serve on the Committee of Sponsors and to look after liaison between each company and the research team. The Committee of Sponsors will meet formally at approximately six/nine month intervals, when the study can be discussed in general, progress reported, and broad findings reviewed as they become available. It is intended that a rather more frequent liaison will be maintained with the sponsor companies individually, in order to provide a continuing dialogue which will be both helpful to the project and of value to the companies.

It must be pointed out that the collection of information and data will not be confined to the sponsor firms; although these themselves cover a reasonably broad range, it is hoped to be able to tap the practice and experience of a great many other companies. These latter, however, will not in general be involved in the feed-back procedures.

to whatever extent is required, and that sponsoring companies and other collaborators will have the absolute right to ensure that nothing is published in any form which they regard as breaching their own commercial security.

5. DISSEMINATION OF RESULTS

The final outcome of the project will be the production of a comprehensive report, which would normally be published as a book, summarising the findings and conclusions of the work. It is hoped that, during the final stages of the project, the sponsor companies will participate in discussions which will help to generate meaningful conclusions.

It is clear that a considerable volume of detail will necessarily be excluded from any final report (though some of it may be published from time to time in the form of papers in the appropriate academic journals). There will, however, be considerable advantage to the research team in having some of this work discussed in a comprehensive manner by the sponsor companies, well before it reaches the stage of general publication in summarised form, and it is planned that during the course of the project a number of seminars and discussions will be arranged between the research team and appropriate members of the staffs of the sponsor companies. These, it is felt, will be of value both to the research team (by juxtaposing its thinking with the judgements of day-to-day operations) and to the sponsor firms (who should be able to draw from the findings as they emerge at least some conclusions of reasonably immediate practical application). The precise form these seminars and discussions can most usefully take will naturally be discussed with the Committee of Sponsors.

Finally, although the point has already been made in our original "Research Proposition" document, it may again be noted that anonymity of data will be preserved

6. BIOGRAPHICAL NOTES on full-time research staff

David Corkindale, B.Sc.(Durham), M.Sc.(Cranfield), is Senior Research Fellow in Marketing Communications at the University of Bradford Management Centre. He holds the Diploma of the Institute of Work Study and is a Full Member of the O.R. Society. He was, before his appointment at Bradford, Deputy Head of the O.R. Unit at J. Walter Thompson in London. He has previously been O.R. Manager at BBDO, and an O.R. officer at the B.S.C./GKN.

Sherriil Kennedy, B.Sc.(London), M.Sc.(Bradford), is Research Fellow in Marketing Communications at the University of Bradford Management Centre. She has just completed her doctorate on "Company Images" at Bradford, and is by training a social psychologist. She spent a year as an Assistant House Mother with the Church of England Children's Society before re-entering academic life. She has written several papers on the field of her research work including an examination of "routinization" of the marketing activity.

APPENDIX II: The Schema of Proposed Work for the first year
 of the study, which was presented at the com-
 mencement of the study.

University of Bradford Management Centre

MARKETING COMMUNICATIONS RESEARCH UNIT

Research Study on Methods of
Measuring Advertising Effectiveness

SCHEMA OF PROPOSED APPROACH
FOR THE FIRST YEAR'S WORK

12 January 1972

Inputs: We believe the inputs to the system with which we shall be concerned can be categorised under four headings:

- (i) Media advertising
- (ii) Other promotional activity
- (iii) Other marketing activity
- (iv) Environment

Media advertising: Press, TV, outdoor, radio and direct mail. *Cinema*.

Promotional activity: Activities involved with promoting goods or services to the consumer or retailer in addition to straight product or service advertising in the mass media. Typical promotional activities include:

- Dealer loaders
- On pack price reductions
- Self liquidating premiums
- Free gifts (mail-in : on pack)
- Competitions
- Coupon price reductions
- Sampling offers
- Incentive/re-usable packs
- Banded pack price reductions
- Personality promotions
- Bonus/extra size packs
- Complete refund offers
- Sponsored sporting/national events

Other marketing activity: By this we mean those aspects of marketing which are under the control of, or influenced by, marketing management, apart from advertising and promotion as previously indicated. Such activities would include:

- Major price changes
- Sales force sizes, deployment and emphasis
- Pack sizes, shape and design
- Nature of outlets
- Sales force incentives
- Stock levels

Product change

.../...

INTRODUCTION

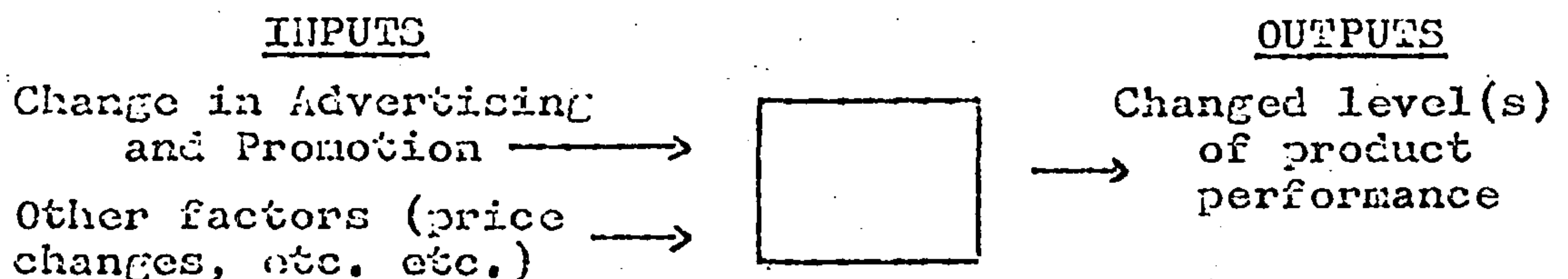
The notes appended here are supplementary to the Initial Statement of Approach sent to the Committee of Sponsors prior to its first meeting on 12 January 1972: they are intended to amplify some points and to provide a basis for discussion on the detail of the anticipated first 12 months' work.

OBJECTIVE FOR THE FIRST STAGE OF THE STUDY

The objectives of the first stage of the study are:

- (a) to establish all the methods which have been used to evaluate advertising effectiveness;
- (b) to relate these methods to a general theory such that they can be seen in their true context; and
- (c) to gather together the evidence that exists which will throw light on the validity and usefulness of the methods.

In order to help determine the extent and nature of the information that is sought, it is useful to relate this to an overall framework, or model, of the system being investigated. At this stage we propose to assume the "Black Box" approach to the subject of advertising effectiveness. Hence we wish to determine the INPUTS and OUTPUTS to that part of the marketing system on which advertising and promotion are thought to have some effect, viz:



PROPOSED METHODOLOGY

We propose to compile comprehensive information about the relevant INPUTS and OUTPUTS of the advertising-affected part of the marketing system. We outline below some of the main categories of subject matter we believe to be relevant to our study. We expect to make the definition of topics for research comprehensive through discussion with sponsors and other interested parties.

Outputs

It is an essential first step of the study to delineate the results, or outputs, that can be expected to come from advertising, and to establish how these are measured. *from.*

Advertising by itself can sometimes effect some change in the market. However, advertising is usually only one of the factors in the marketing mix, and changes in the outputs normally result from the compounding of the effects of several factors. In addition, objectives for marketing, or for the part advertising has to play in the marketing plan, are not always clearly defined, so that in practice the most appropriate measure of effect is not always used.

We believe the outputs from the system, to which advertising is one of the inputs, can be categorised into three forms:

- (i) those having a fairly immediate direct effect on the level of demand by consumers for the goods or services being advocated;
 - (ii) those having an effect on the propensity by consumers to use the goods or services at some time in the future;
 - (iii) those having an effect on the means of distribution of the goods or services.
- (i) Level of demand: Changes in the level of demand can be perceived in the following ways, all of which may or may not have been the objective of advertising but nevertheless are potential outcomes:
- Increase in sales volume
 - Increase in purchase rate
 - for various types of user
 - Reclamation of lapsed users
 - Change in pack size purchased
 - Change in size of purchase
 - Initiation of trial

We must be concerned to establish the comprehensiveness of this list, the means by which they are measured, and the accuracy of these means. Currently these include:

.../...

Environment: There are influences on markets not under the control of marketing managements, which can significantly affect the achievement of a marketing objective. Some of the influences encountered are:

Climatic conditions
Economic conditions in the country or abroad
Competitive activity

We shall be primarily concerned with examining the effect of the first category - media advertising. In order to achieve this objective we must be aware of and take into account, whenever possible, the interacting effects of those other influences which are normally present.

We must clearly define all influences and establish how they are variously measured as inputs to the system.

Defining and Measuring Media Advertising Inputs

More specifically, we aim to define and measure all the possible forms in which advertising effort is expressed. In order to examine the results of these efforts it will undoubtedly be necessary to take into consideration the effects of some of the other three categories of inputs. We shall endeavour to adopt the most relevant and appropriate measures of these, rather than attempt to incorporate a range of their measures as well, since a wide-ranging examination of them is not the primary objective of this study.

The advertising input can be variously expressed in terms of:

Advertising expenditure
Coverage, frequency, noting, etc., in the press
Rating, coverage, frequency, etc., on TV
Coverage and frequency for posters and radio, etc.

A necessary step in the investigation will be to establish:

- (a) the accuracy of the measure of these inputs;
- (b) the sufficiency of the input measures.

.../...

(iii) Distribution: Some advertising is said to aim to increase distribution, or increase the availability of the product, or services, to the consumer. In certain circumstances this may be a valid objective. We would wish to examine the effectiveness of this method both where it was a stated objective and also where it was not.

Again the normal means of measuring this output are:

- Store audits - panel
- Special survey of stores or outlets
- Special consumer survey
- Salesmen's report

The accuracy and adequacy of these measures will be reported upon and, ultimately, the relationship of this output to the other two categories will be examined.

LITERATURE SEARCH

When we have defined the inputs and outputs with which we must concern ourselves, we shall have a comprehensive list of subject matter to use as a guide when conducting a literature search. Basically we shall attempt to unearth all articles and papers that have been published relating to our list of topics. We shall be grateful for guidance on references to papers thought to be key works on the various topics.

We shall then attempt to assess and appraise the content of the published work on the evaluation of advertising effectiveness and associated topics, and thus be able to identify areas or aspects which appear to be un-researched or on which little has been reported. Having checked with sponsors and other authorities on the completeness of our literature search we shall then be in a position to prepare a comprehensive statement of key papers, together with abstracts, for our own future reference and for other workers in this field.

ACTION

We wish to consult with sponsors and other parties actively concerned with evaluating advertising effectiveness, to determine what inputs and outputs they

- (a) do measure
- (b) can measure
- (c) would like to measure

.../...

Ex-factory sales
Store audits - by panel
Consumer audits - by panel
Special surveys/audits - either store or consumer
Omnibus surveys, etc.

- (ii) Propensity to use: Another objective of advertising may be to influence consumers' attitudes towards goods or services. Such an output is usually measured by changes in:

Awareness of the product or slogan
Attitudes towards the product and attributes of the product class

This class of output necessarily demands appropriate measures of inputs in order to measure changes.

Again our objective is to establish a comprehensive statement of the types of output of this category, how they are measured and the accuracy of such measures, for different circumstances. We shall subsequently, of course, be examining the relevance of these outputs to those of category (i) - in other words, examining whether advertising's effect as measured through one category of output is related to the effect as measured through another category.

There are many possible outputs under the category of propensity to use; some of them being:

Brand recall - prompted, unprompted
Brand first mentioned
Brand chosen first, second, etc.
Paired preferences
Rankings
Psychometric measurements
Attitudes to 'factors')
Attitudes to 'ideals') - on various scales
St James, Fishbein, WAPS models

Advertisement testing: It is appropriate to introduce this topic under the general heading of propensity to use. The various advertisement testing techniques produce measures of advertisement performance which are usually in the propensity to use category. We propose to examine results of the use of the fundamental techniques (Schwerin, etc.) against other subsequent measures of performance, or output, where the necessary data exists.

.../...

in connection with their advertising effort.

We would like to learn how those quantities which are measured have been chosen, and what work has been done to relate inputs and outputs in order to evaluate the advertising.

We, therefore, propose to visit each of the sponsors for up to two days during the next two months, so that we may discuss the above topics and ascertain what quantitative information will be available for our use in subsequent stages of the study.

SUMMARY

The first stage of this study will consist of establishing INPUTS and OUTPUTS of the marketing system which are thought to be influenced by advertising. Those directly associated with advertising will be examined in detail to establish how they are measured, how accurate those measurements are, and what deficiencies currently exist in the measurements or methods.

The other influences on the market which are known to affect the outputs will be categorised in terms of the context in which they are found to be important, so as to identify the best means of isolating their influence and separating its effect from that of advertising.

The next stage of the study will be the examination of the matrix of inputs and outputs to establish cause and effect relationships and test hypotheses.

APPENDIX III: The advance letter sent to some sponsor companies prior to visiting them for the second phase of fieldwork, which was to discover advertising objectives for selected products.

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Professor of Marketing and Logistics Studies

A

The Measurement of advertising effectiveness-Phase II

The first phase of this research examined current and past company practice for the measurement of advertising effectiveness, the reasons and evidence to support the adopted practices. Similarly the literature on the subject was examined to determine how theory suggested effectiveness should, and could, be measured and what evidence there existed to substantiate the theories. It is evident that no one set of methods or procedures is satisfactory for all circumstances.

It is also evident that advertising activities are just one factor in the marketing mix and the role of advertising is very much subject to other factors. Advertising is part of an overall effort and the intended contribution will vary according to the overall objective and the beliefs about the role it can play. The role, or purpose, of advertising for an old established brand leader is different to that for a new product in a new market, for example. If the purpose is different then the process by which it acts on the market or consumer may well be different and consequently the most appropriate methods of measuring achievement of the purpose are probably different.

Hence we are examining a series of different market situations and selecting from different companies examples for closer examination. We wish to determine how and why marketing objectives are drawn up in these different situations and how these and other factors influence the intended role of advertising.

Therefore we wish to examine the way in which the factors depicted in the various boxes in diagram I (attached) influence the objectives set for advertising. At this stage we are particularly interested in those aspects covering the left-hand side of the page. Our intention is, by examining 30 or so cases, to be able to draw up and test an inventory for each of several market situations:

market situation=marketing objectives=advertising objectives=relevant pre and post campaign effectiveness measurement procedures.

(The reasoning and purpose of this phase are elaborated in the MCRU's Report no.3 to sponsor companies.)

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B

Subject areas for discussion-advertising objectives

Marketing/brand management

product/market history during last 12 months
important influences on the market
marketing objectives and reasoning for advertising objectives
beliefs on the way advertising works
advertising objectives 1972 and 1973
other promotional activities and influence on advertising
degree of inter-dependence between all promotional activities
methods of determining advertising appropriation '72, '73
reasoning for frequency of exposure of campaign/adverts.
media selection
criteria for judging 'wearout'
criteria for allocating advertising weight regionally
research input on advertising decisions:
 objective setting
 content
 weight/frequency
 change
 review of achievement
main data sources used to set marketing objectives and to
 monitor progress
value and purpose of advertising pre-testing
advertising agency input
overall approval of advertising strategy and content
advertising planning horizon

Research

Major new research findings in last 12 months
new research directions-by what prompted
research input to marketing/advertising objective setting
trends in market
pre-testing 1972 and 1973 campaigns
post-testing
current views on pre/post testing methods, experience of
concept testing
pressure tests

APPENDIX IV: The questionnaires and follow-up letter used
to supplement the information gained during
the third fieldwork phase.

The first questionnaire (Section A) sought details on the company's total activities on advertising and research.

The second questionnaire (Section B) sought mainly judgements on the marketing environment for the selected product. The final page of this questionnaire listed the advertising objectives for the product as discerned by the research team during earlier interviews. This page was product-specific and is not included here.

The follow-up letter and associated questionnaire sought further information on factual detailed aspects of the marketing environment for the product.

2. In what year was the Market Research Department originally formed (i.e. when someone was specifically appointed to be responsible for undertaking and organizing market research)?

3. What is the position of the person to whom the Market Research Department reports?

4. How many full-time staff positions (excluding secretaries) existed in the Market Research Department in the following years?

1973 _____ 1970 _____ 1967 _____

5. Does the position of "Advertising Manager" exist in your Company/Organization?

a) at the present time	YES	/	NO	*
b) in 1970	YES	/	NO	
c) in 1967	YES	/	NO	

6. Is there an advertising department responsible for co-ordinating and managing the Company/Organization's advertising activities?

YES / NO *

7. Is there the position of "Media Controller/Manager/Co-ordinator" in your company, i.e. someone responsible for monitoring media advertising performance and/or negotiating discounts?

YES / NO *

If YES,

When was this position created?

8. If you have a "Media Controller/Manager/Co-ordinator", to whom does he report?

SECTION A

Name of respondent

Company/Organization

1. For the following years please could you state:

	Last Year (72) <u>£,000</u>	3 Years Ago (70) <u>£,000</u>	6 Years Ago (67) <u>£,000</u>
a) the Company/Organization's total turnover (financial years)			
b) the Company/Organization's total net profit (financial years)			
c) the Company/Organization's expenditure on consumer research i.e. staff costs including salaries plus all bought in research e.g. ad hoc and audits (financial years)			
d) the Company/Organization's expenditure on media advertising (MEAL or Card rate equivalents) for calendar years			
e) the ratio of above-the- line promotional expend- iture to below-the-line expenditure implicit in the marketing budget for the Company/Organization, for the following financial years			

SECTION B

Name of respondent

Name of product

1. How many branded products compete with
Please state the number

2. How competitive do you consider the market for
to be? Please tick the most
appropriate statement.

The market for this kind of product is: -

Extremely <u>Competitive</u>	Very <u>Competitive</u>	<u>Competitive</u>	Not Very <u>Competitive</u>	Not At All <u>Competitive</u>
---------------------------------	----------------------------	--------------------	--------------------------------	----------------------------------

3. What proportion of the total market is taken
by "own label" products at the present time?

a) less than 10% of the total market

b) between 11% and 30% of the total
market

c) over 30% of the total market

4. What proportion of the total market was taken
by "own label" products three years ago?

a) less than 10% of the total market

b) between 11% and 30% of the total
market

c) over 30% of the total market

5. How would you rate the quality of "own label" products compared to ? *

As Good As Not Quite As Good Inferior Very Inferior

6. What is the average price difference between the usual retail price of your product, and the price of "own label" products? Please answer for the most commonly purchased pack size, where this is appropriate.

The price difference is

7. What is the average retail price at which your product sells at the present time? Again, please answer for the most commonly purchased pack size, where this is appropriate.

The average retail price for is:

8. Please give the ratio of above-the-line to below-the-line expenditure implicit in the marketing budget for

above-the-line : below-the-line

- i. at the present time
.....
- ii. three years ago
.....

* Please tick appropriate statement

9. How is the volume of the total market in which you are
selling moving at the present time?

The volume of the total market is: - *

Decreasing By <u>More Than 5% p.a.</u>	Decreasing By <u>Up To 5% p.a.</u>	<u>Static</u>	Increasing By <u>Up To 5% p.a.</u>	Increasing By <u>More Than 5% p.a.</u>
---	---------------------------------------	---------------	---------------------------------------	---

10. What was the total market doing three years ago?

Three years ago the volume of the total market was: - *

Decreasing By <u>More Than 5% p.a.</u>	Decreasing By <u>Up To 5%p.a.</u>	<u>Static</u>	Increasing By <u>Up To 5% p.a.</u>	Increasing By <u>More Than 5% p.a.</u>
---	--------------------------------------	---------------	---------------------------------------	---

11. A list of product types is given below. Please can you
tick the category which best describes the type of product
which is.

- ☐ a) An old established product: a product which has been
in the market for some years, without undergoing a
major product reformulation.
- ☐ b) An additional market entrant: a product which has been
launched into a market where one or more products
already exist. This would include those products which
have been significantly reformulated and relaunched.
- ☐ c) An innovative product: a new product which is also
a new concept, creating a new market or establishing
a new need in the market place. The existing brand
relaunch is excluded from this category.
- ☐ d) A relatively new product: an innovative product which
has been in the national market for more than one year.

e) A neo-commodity product: a product which the consumer treats as a commodity. Such products are characterized by frequent purchase and little brand loyalty.

f) Other, please specify:

12. How well does _____ compare with its competitors?

	<u>Compares Favourably</u>	<u>Is Seen As The Same</u>	<u>Compares Unfavourably</u>
i. in a blind test situation	_____	_____	_____
ii. in a branded situation	_____	_____	_____
iii. in the opinion of the company	_____	_____	_____

13. What is the average level of retail distribution for _____

14. Do you consider the sales of _____ seasonal?

YES / NO *

If YES, approximately what % of annual sales occur between October - March? _____

15. Please can you give the advertising : sales ratio for

	<u>Advertising</u>	<u>: Sales</u>
a) for the present time	_____	_____
b) for three years ago	_____	_____

16. Which of the following statements best describes how frequently this kind of product is bought: -

It is purchased:

	Very Frequently		Neither Frequently Nor Infrequently		Very Infrequently	
Extremely Frequently						Extremely Infrequently
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. How frequently do people buy

at least once a week

.....

at least once every two weeks

.....

at least once a month

.....

at least once every three months

.....

if less frequently than once every
three months, please specify

.....

18. How brand loyal do you consider average purchasers of this product category to be:-

- i. so brand loyal that they always buy the same brand.
- ii. brand loyal to the extent that they will buy the same brand 3 out of every 4 purchases made.
- iii. brand loyal to the extent that they will buy the same brand twice out of every four purchases made.
- iv. brand loyal to the extent that they will buy the same brand once in every four purchase occasions.
- v. totally without brand loyalty, with purchases being random among the available brands.

19. If you consider that there is a minimum expenditure necessary to advertise on television, please can you state this figure in Sterling terms

a) now

.....

b) three years ago

.....

20. If for any reason you were permitted an advertising budget which fell below the amount necessary to conduct a television campaign, what would you do?

21. If you advertised in the press and with posters, but not on television, would you continue to advertise in this way however much your advertising appropriation was increased?

YES / NO *

If NO ,

At what point would you start to advertise on television?

If possible please give a Sterling value :

22. Here is a listing of some of the ways in which Media Advertising has been said to work. Could you please tick those statements which come closest to your beliefs and understanding about the way advertising works in the case of

- ☐ 1) jogs peoples memory that the product or service exists or acts as a reminder
- ☐ 2) reassures the existing consumer that the right choice is being made, renews confidence in the product or service to actual and potential customers
- ☐ 3) reassures other groups e.g. retailers, own salesmen

con't . . .

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DRC/sm

The Study Of The Measurement Of Advertising Effectiveness

In mid April we sent you a request for some more information in connection with the next phase of our study. We asked for specific market and marketing information on relative to the advertising campaign undertaken during We also wish to investigate the ways in which campaigns are actually monitored and evaluated by the companies in our sample. It is however necessary to examine the advertising during the campaign in the context of what was happening in the market before it ran, and, where possible what occurred subsequently. Hence our concern to collect information for the period of five years before the campaign, during it, and, depending on the year of the campaign, up to three years after it.

We hope you have not had too much difficulty in compiling all this information and that we shall be able to collect it soon, since we are most anxious to proceed with the study. As you appreciate we are working to very tight dead-line now, for we undertook to report and discuss our research results to you by the Autumn of this year. Next week one of us will telephone to see what can be arranged.

Perhaps it would be useful to you if I recapped what it is we hope to be undertaking during this phase of the study.

We should say at the outset that our prime concern is to examine, for each of the advertising objectives set for the above mentioned campaign:

- i) whether, and by what means, the achievement of the objectives was measured, and
- ii) how successful the objectives were?

In consequence we shall wish to examine the results of any survey or analyses that you may have undertaken to monitor the results of advertising both during and after the campaign. We have in mind attitude/awareness studies, usership studies, omnibus questions and any study that might allow your specific advertising objectives to be monitored. Enclosed is a listing of these objectives as we have determined them. During our next visit we would like to go through the findings of any surveys or research that indicate the degrees of achievement or indeed failure, of the objectives.

In summary our research plan requires that:

- a) we select product(s) for in-depth study,
- b) we select a particular advertising campaign or period of advertising for the product(s),
- c) we ascertain the market and marketing environment in which the campaign or advertising was conducted,
- d) we establish the role advertising is expected to play at this time in the marketing plans,
- e) we agree with company executives what the objectives were for the campaign or advertising at this time,
- f) we collect information on the degree of achievement of these objectives as shown up in any surveys or studies performed subsequently,
- g) we ascertain company appraisal of the campaign, or advertising, and any reasons why it was difficult, not worthwhile or impossible to monitor the achievement of the objectives.

We will subsequently analyze this cross section of information to draw conclusions on the relevance and measurement of advertising objectives in different circumstances. In the current operational phase we are seeking information from you on points f), g) and c).

The questionnaire currently with you is intended to substantiate our knowledge on point c) and also to allow us to examine several facets of advertising management particularly the "potential" for advertising effects on market performance. There are many reasons why it is particularly difficult to relate advertising efforts,

- ☐ 4) imparts information about the product or service.
- ☐ 5) educates the consumer to uses of the product or service.
- ☐ 6) is accumulative in its effect
- ☐ 7) creates an immediate response
- ☐ 8) creates a medium term response
- ☐ 9) creates a long term response
- ☐ 10) creates awareness
- ☐ 11) encourages trial
- ☐ 12) affects market shares
- ☐ 13) creates brand loyalty
- ☐ 14) stimulates an immediate purchase response
- ☐ 15) encourages favourable attitudes towards the product or service
- ☐ 16) creates an environment which encourages a purchase to be considered
- ☐ 17) can bring the date of purchase forward
- ☐ 18) can create a "halo effect" between a company and its products and vica versa
- ☐ 19) motivates the sales force
- ☐ 20) improves distribution
- ☐ 21) builds goodwill to both the product or service and the company
- ☐ 22) keeps 'own label' products at bay
- ☐ 23) when used to back other promotional activities enhances their effect
- ☐ 24) helps form attitudes towards new products
- ☐ 25) Other, please spicify :

particularly expenditure, to the subsequent effect in the market place. Many marketing managers however, ultimately appraise the success of their advertising by how well the product has done in sales terms. We wish to examine the level of change that occurs due to all the market influences and to establish the level of change which can reasonably be expected. If the effects of major influences like price changes or product changes can be detected then the "potential" change due to all the other factors, including advertising, can be estimated. From the point of view of measurement methods it is important to have an estimate of this expected magnitude. Perhaps we should emphasise that we are not intending to produce econometric models of advertising effects on sales.

I hope this synopsis helps put into context our request for information. On our next visit to you we would therefore like to:

- a) go through the completed questionnaire to discuss any special points that we should note, and
- b) go over survey results and the like that cover the measurement of the advertising objectives in which we are specifically interested.

We would be grateful if we could complete this work with you during June, or if necessary, early July.

Yours sincerely,

David Corkindale.

4. MARKET SHARE

Please give your market share for :-

- a) 5 years before the campaign ran on an ANNUAL basis.
- b) The ANNUAL figure for the year in which the campaign ran.
- c) 3 years after the campaign ran on an ANNUAL basis.
- d) 5 years before the campaign ran on a PERIOD basis.
- e) The year during which the campaign ran on a PERIOD basis.
- f) 3 years after the campaign ran on a PERIOD basis.

5. OWN LABEL ACTIVITY

If you are in a market where own label products account for 10% or more of the total market, please give own label share :-

- a) 5 years before the campaign ran on an ANNUAL basis.
- b) The ANNUAL figure for the year in which the campaign ran.
- c) 3 years after the campaign ran on an ANNUAL basis.
- d) 5 years before the campaign ran on a PERIOD basis.
- e) : The year during which the campaign ran on a PERIOD basis.
- f) 3 years after the campaign ran on a PERIOD basis.

6. PRICE

Please state the price of the product (its most popular size) now.

Taking the period of 5 years before the campaign, to 3 years after it has run. Please list the major price changes giving the month and year of change.

continued/....

PRODUCT⁺.....

The information we would like to collect is as follows:-

1. SALES FIGURES (in volume)

Where possible we would like volume sales figures for :-

- a) 5 years before the campaign ran on an ANNUAL basis.
- b) The ANNUAL figure for the year in which the campaign ran.
- c) 3 years after the campaign ran on an ANNUAL basis.
- d) 5 years before the campaign ran on a PERIOD* basis.
- e) The year during which the campaign ran on a PERIOD basis.
- f) 3 years after the campaign ran on a PERIOD basis.

* PERIOD means on the basis which you use to regularly summarise collect data; i.e. monthly, bimonthly or quarterly. Please specify the basis being used.

2. TOTAL MARKET SALES VOLUME

Please give the total market sales volume for :-

- a) 5 years before the campaign ran on an ANNUAL basis.
- b) The ANNUAL figure for the year in which the campaign ran.
- c) 3 years after the campaign ran on an ANNUAL basis.

3. WHAT CONSTITUTES THE TOTAL MARKET?

Please list the products included in the total market in your calculation of Question 2.

+ Where products have not been in the market for 5 years before or 3 years after the advertising campaign, please give figures for the longest period available.

continued/.....

- price reductions on pack .
- multiple packs at reduced price
- on pack offers (e.g. price reductions or refund, gifts, self liquidating offer)
- trial packs
- competitions
- collection schemes - e.g. coin sets, glasses or other goods collected in stages by the consumer
- promotions to the trade, e.g. money, gifts, competition
- incentives to the salesforce.

11. PRODUCT CHANGES

If there have been any major product changes during the period of 5 years before the campaign to 3 years after it has run, please will you give them stating what form they took, (changes in quality, reformulation, pack) and the month and year they occurred.

12. COMPETITIVE PRODUCT CHANGES

Please will you give the same information requested in 11, for competitive products where possible.

7. COMPETITIVE PRICE.

Please name your major competitors and give the price of their products now. (As far as possible give them for the same size product).

Taking the period of 5 years before the campaign, to 3 years after it has ran, have there been any price changes for your major competitors products? Please list the major changes giving the month and year of the changes.

8. DISTRIBUTION

Please give the Sterling distribution for your product 5 years before the campaign.

If the level of Sterling distribution has changed by more than 5% since then, please will you give the date of the change (month and year), and the amount.

9. CHANGE OF PERSONNEL

Taking the period of 5 years before the campaign to 3 years after it has run, please will you list any changes in personnel who have been connected with the product, giving the month and year of the change.

Personnel who would be included are as follows :-

- Chief Executive
- Marketing Director
- Marketing Manager responsible for the product
- Brand Manager responsible for the product
- In-company research personnel concerned with the product
- Advertising agency
- Advertising agency account director.

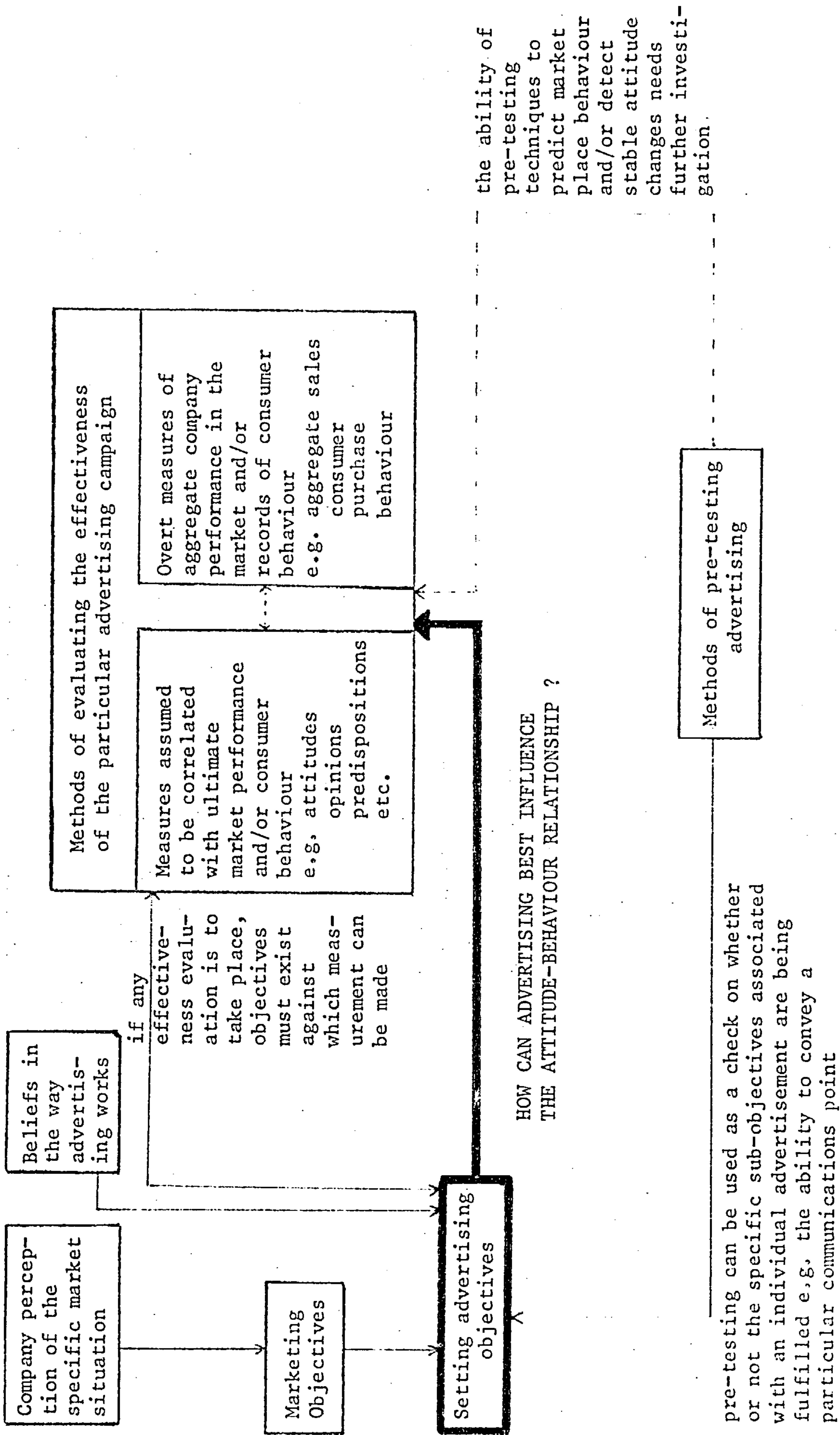
10. OTHER PROMOTIONAL ACTIVITY

Taking the period of 5 years before the campaign, to 3 years after it has run, please will you list the major non-media promotions which have been run. Please give the date they ran (month and year) and state what they were. The kind of activities being thought of are :-

continued/.....

APPENDIX V: The Proposal for a Study of the Relationship
Between Attitudes and Behaviour, and Adver-
tising's Influence on This.

This Proposal was presented to the Committee of Sponsors for discussion at a meeting which examined the future programme of collaborative research.



Item 3. Objectives for Research into the Relationship between Attitudes and Behaviour

Preamble

One of the main resolutions to emerge from the committee of Sponsor' meeting at Woburn in late 1974, was that the chief topic for future research should be that of the relationship between attitudes and behaviour. This interest would seem to stem from two motivations. Firstly, many of the committee are responsible for research for marketing policies; consumer behaviour and attendant consumer attitudes are of fundamental concern to them. Secondly, as the MCRC identified in Report No 10, attitude formation and change is one of the most commonly set advertising objectives.

To pursue this topic will necessitate a swing in emphasis from a study of the advertisers' viewpoint and decision making processes to that of the consumer. Given that the MCRC is now well conversant with the former it would seem that we are well positioned to study the latter but with the intention of aiding the advertiser.

The development of this research programme from the MCRC's earlier work.

During the first phase of the MCRC's study of the Measurement of Advertising Effectiveness we looked at the problem from the advertiser's viewpoint: we tried to aid the decision maker bearing in mind his situation and sources of information. The MCRC took a totally multidisciplinary approach eschewing any emphasis on econometric methods or all-embracing behavioural models beloved of earlier researchers. The purpose of the initial programme of research has been to work alongside practitioners and to present codification and comparison in a viable, workable context for marketing management. We believe this should continue to be our overall objective.

However, we are aware that having cleared the decks, so to speak, and having clarified what advertisers can do to aid efficient advertising, there remain many fundamental problems. It is all very well to aim to set proper advertising objectives as a means of managing advertising efficiently but specifying the most appropriate ones can still pose a problem. Where objectives are set to influence attitudes, the relationship of desired behaviour to attitudes is all important to the selection of ways to influence attitudes. We are aware that we may have to extend from our purely analytical basis adopted so far to experimentation with (indeed within) sponsor companies, in order to examine specific situations.

We believe it is important to keep the topic that we will be researching in context with our overall purpose i.e. aiding the efficiency of advertising. In the first phase of the study we identified that it was essential to set advertising objectives in order to measure advertising achievement. We then explored this tenet in many product and service situations using as our 'model' for information collection the oft cited diagram of the 'Framework for Research'. We believe that essentially we shall be continuing to follow this framework for our study of the relationship between attitudes and behaviour: rather than examining a variety of advertising objectives and the way they are put into practice and measured we shall be concentrating on one type of advertising objective - namely those intended to *affect attitudes*. Hence the framework for our future study on attitudes and behaviour will be an adaption of that employed in the first phase. In Diagram 1 (over) we outline the context in which we shall be studying attitudes and behaviour. We have entitled this 'The Focus for Future Research Evolving from the Original Framework'.

The overall objective of this study, as highlighted in diagram 1, is to indicate - *How Advertising Can Best Influence the Attitude - Behaviour Relations*

The nature of the problem area

The problem of determining the relationship between attitudes and behaviour is very similar to that of determining advertising effects on sales. There may well be a consistent, causal relationship but intervening variables greatly complicate any unravelling of this relationship.

To put the problem in context Diagram 2 indicates some of the factors that may have a bearing on consumer behaviour. There are very many possible influences; only a few are under the direct control of someone wishing to influence consumer behaviour and one of these is media advertising. Some of the influencing factors act in the long term and some in the short. It can be surmised that some factors will be important influences in one set of marketing circumstances while another set of factors may be important in different circumstances.

How can we tackle this situation? What information and guidance can we realistically seek from our study?

The objectives for MCRC research in this area

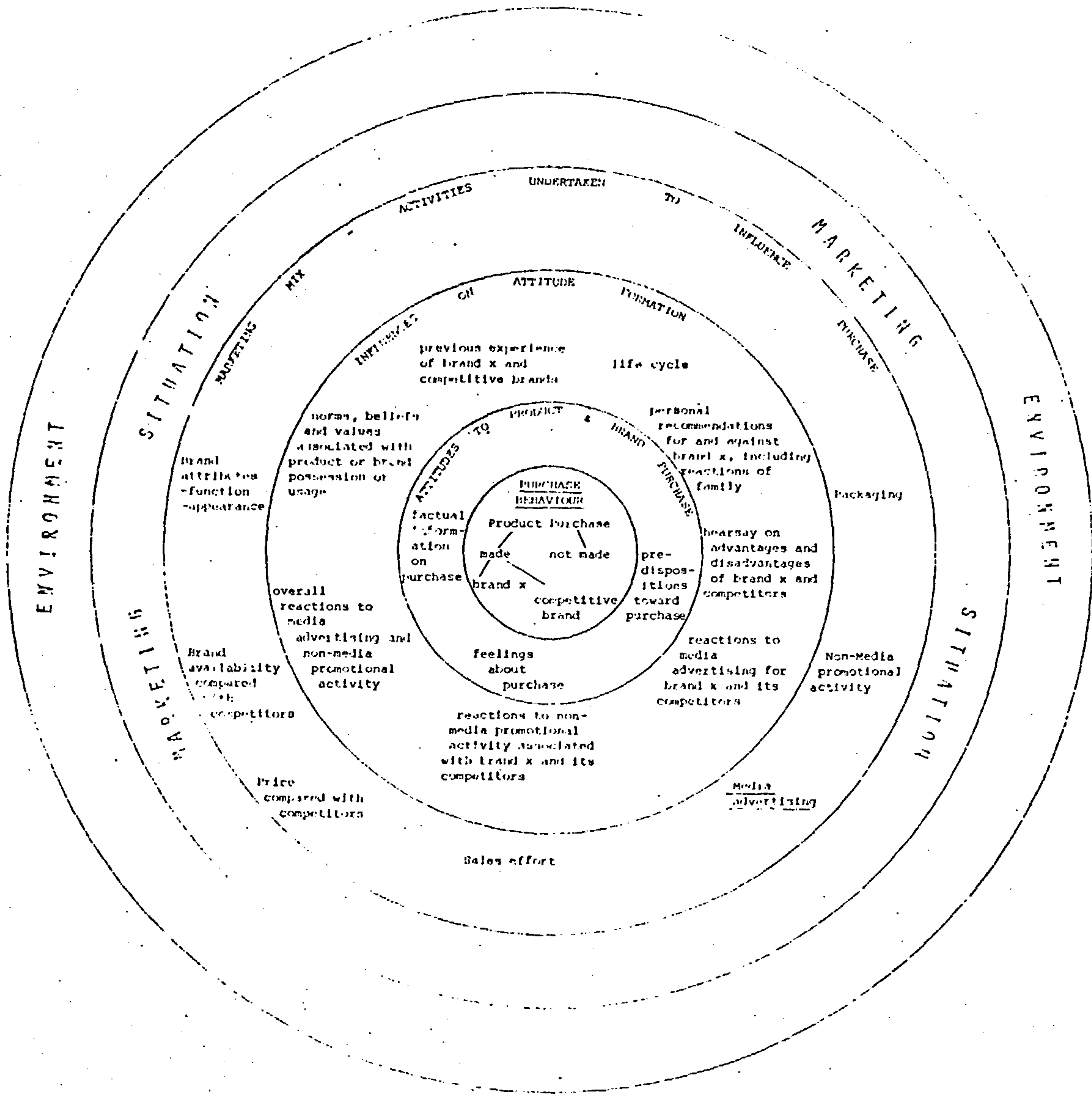
Through discussions with sponsors both during the Woburn meeting and subsequently it has emerged that for operational purposes they do not believe we should necessarily seek the precise mechanism by which attitudes and behaviour are linked. As a first, and more feasible step, it could seem we need to examine such questions as:

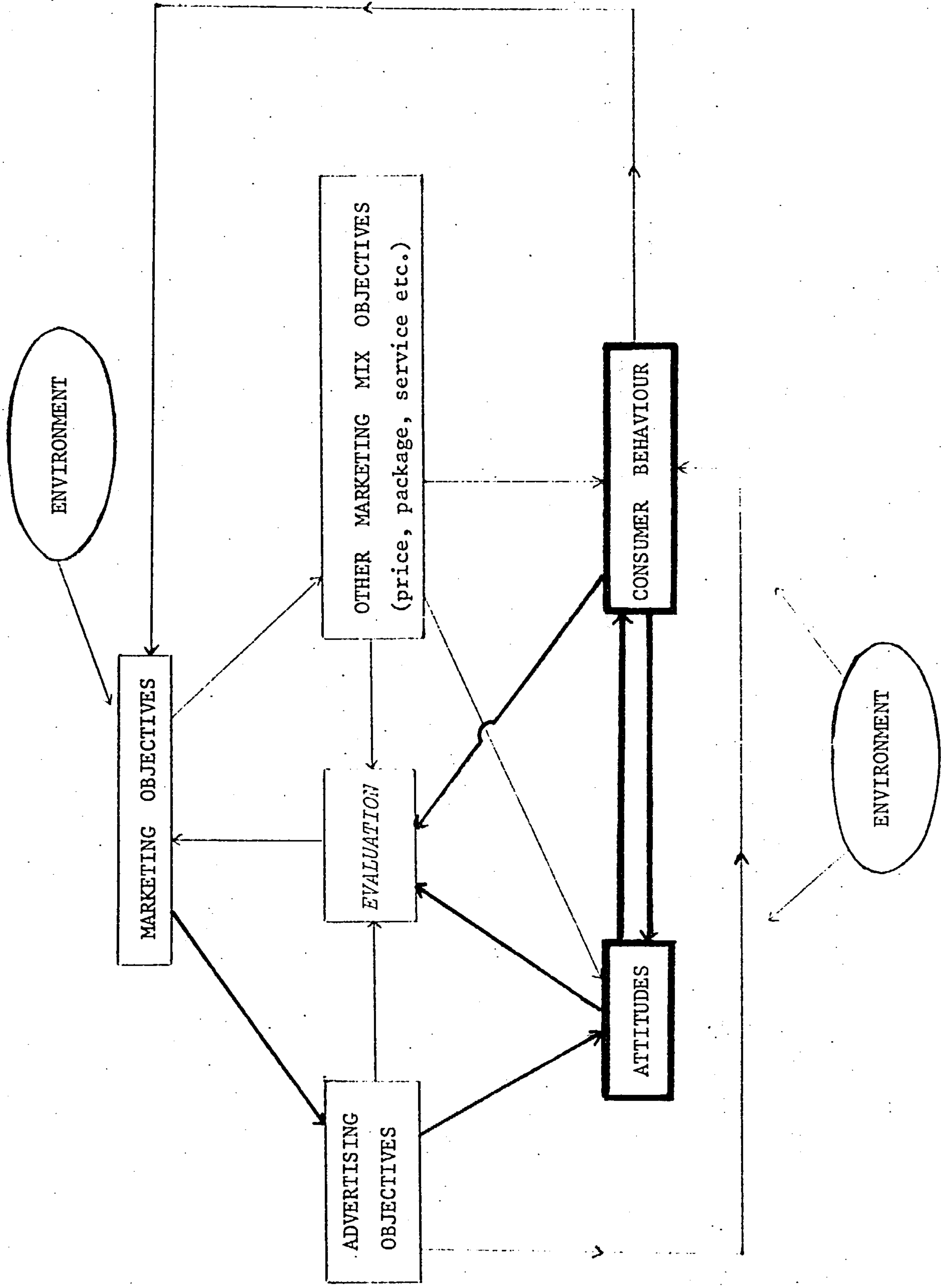
- 1) In what circumstances does attitude change seem to predict behaviour change? What characterises these situations?
- 2) How does time seem to affect attitude and behaviour change? What characterises situations where it seems to have a great effect?
- 3) Some attitudes and some forms of buying behaviour seem to be difficult to change: why is this? What characterises these situations? In these situations does attitude change appear to precede or follow any behaviour change?
- 4) Some attitudes and some behaviour appear very volatile, which are these and what characterises them? Are volatile attitudes associated with volatile behaviour? Can advertising influence these situations more than others?
- 5) In what circumstances does it seem possible to directly influence behaviour? Is it always better to aim to influence information, feelings and general pre-dispositions?
- 6) How are attitudes measured in practice? What assumptions are being made and how might different circumstances require different forms of measurement? What can be and needs to be measured?
- 7) Strong claims are often made for models of attitudes - behaviour relationships (e.g. Fishbein, Sheth). In what circumstance does any one of these have relevance and value?

In many operational marketing and advertising situations management is looking to make changes at the margin i.e. the determinant attitudes and advertising themes aimed at these have been established and the main concern is to improve the implementation of these if possible and detect or predict when circumstances will cause change.

DIAGRAM 2

THE NATURE OF THE PROBLEM ENVIRONMENT





Hence, within the overall objective of examining how advertising can best influence the attitude - behaviour relationship, we should aim to give guidance on certain operational decisions.

The nature of our research programme must therefore take place within the context of well defined marketing situations. This can, perhaps, be represented by Diagram 3 'The Precise Focus for Further Research'. We are suggesting that we examine specific examples of attempts to influence attitudes and behaviour by advertising but with an awareness of all the other possible influences as depicted in Diagram 2. We then need to be able to analyse and comment upon how advertising and the other relevant factors appear to influence the attitude - behaviour relationship.

How might we achieve these objectives?

The taxonomic approach

Our main objective is to identify the types of conditions under which certain types of attitudes change and the way this change may influence or reflect behaviour changes. We shall be looking for evidence of influences on attitudes and behaviour and particularly the influence of advertising. We shall be endeavouring to isolate different marketing situations and the way attitudes and behaviour appear linked in these circumstances. The approach of examining many situations and then grouping them by common characteristics would appear the most fruitful to achieve this purpose: this is the taxonomic process. Broadly speaking, we are proposing to use the evidence and results stemming from the many attitude and buyer behaviour studies that have been conducted by most sponsor companies over the past few years. We believe these range over many varied situations and afford us a wealth of material.

In this way we shall be able to isolate many examples of such well defined circumstances as:

- i) the new product
- ii) the impulse purchase product
- iii) the infrequent service choice decision

to name but a few. We shall then be able to examine how well attitudes seem to be able to be influenced in these varying circumstances and whether the desired consumer response was achieved and in what sequence it was achieved. For each circumstance we shall endeavour to discern what factors and form of presentation seemed to lead to more successful attitudes change and/or behaviours change. The outcome of this form of analysis might be depicted by the outline table in Diagram 4. This suggests the type of market situation and the desired consumer responses as being the key aspects defining situations sponsors would wish us to explore. The information expressed in the table would be the way attitudes appear to be influenced in those circumstances and how they relate to behaviour.

As an example of the potential form of such an analysis we cite one of the many typologies derived for the processes by which social behaviour is said to be influenced in different circumstances. Kelman (1961) suggested on the basis of an analysis of many studies that there are three different processes by which influence can be imposed upon an individual. Each of these processes is characterised by a distinct set of antecedent conditions and a distinct set of consequent conditions. The three processes are called *compliance*, *identification* and *internalisation*. *Compliance* operates when the individual accepts influence from a source (be it person or group)

AN ILLUSTRATION OF THE
PROPOSED TAXONOMY OF ATTITUDE - BEHAVIOUR RELATIONSHIPS

MARKET SITUATION (examples)	DESIRED CONSUMER RESPONSE (BEHAVIOUR) (examples)			
	Belief of product claims	Pre-dispos- ition to buy product	Purchase➤
1. Innovative Product	Relative import- ance of various factors influenc- ing comm- unication- affected behaviour			
2. "Me too" Product				
3. Well established product in market where innovative product growing				
4.				
5. N				

because he hopes to achieve a favourable reaction from the source. The individual does not adopt the induced behaviour because he necessarily believes it but because it is instrumental in producing a satisfying social effect. *Identification* operates when the receiver adopts behaviour derived from another person or group because this behaviour is associated with a satisfying relationship with the person or group. It is a way of establishing or maintaining relationships. It is similar to compliance in that the influenced individual may not adopt the behaviour because he believes it is intrinsically satisfying, but he does believe in the opinions and actions he adopts. Finally, *internalisation* occurs when the individual accepts influence because the induced behaviour agrees with his current values anyway. It is the content of the induced behaviour, in this situation, that is intrinsically rewarding.

Compliance is said to be operating when an individual makes a special effort to express only 'correct' opinions in order to gain admission to a particular social or political group. Identification is said to be at work when someone buys a brand of a product said to be used by a famous person whom he admires. Internalisation could be said to be operating when someone joins a protest demonstration because they feel it is expressing a worry or belief they have.

Kelman identified three antecedent factors which determine, he believed, the relative probability of occurrence for a particular type of influence process. These he termed: i) the importance of the induction for the receiver; ii) the power of the source of influence; and iii) the manner in which the induced response is conditioned. Hence the compliance process may be at work when (a) a person is concerned with the social effect of his behaviour, (b) the power of the source of potential influence is based on its means of control over the receiver; and (c) the receiver's choice of behaviour is limited. Similar statements of individual's situations can be made which would lead to the identification process or the internalisation process.

Consequences derived from the three influence processes in the receiver's attitude and/or behaviour differ in terms of i) the subsequent conditions under which the induced response will be expressed or performed; ii) the conditions under which they will be abandoned, and iii) the type of behaviour system in which the induced response is embedded.

Hence, when an individual adopts an induced response through compliance:

- he tends to express or perform it only under conditions of surveillance by the source of influence
- he will abandon the response if it is no longer perceived as the best path towards the attainment of social rewards
- the response is only part of an expression of wants or needs that characterise a specific situation.

Conclusions can be similarly drawn about responses brought about by the processes of identification or internalisation. As Kelman pointed out, these three types of process are not mutually exclusive. It is only possible to define situations in which one type of influence dominates and determines the central features of a particular communication form. In fact, there is an underlying relationship among the three types of influence. Over time, for example, prolonged compliance may lead to identification or identification may lead to internalisation. The conditions under which these influences evolve from one to another are all important.

The MCRC would wish to try to identify via the taxonomic procedure a set of influence processes in the manner described by Kelman, but for the commercial environment, so that broad conclusions could be similarly drawn.

Within the broad framework of research an area of specific attention will be the Formation of Consumer Attitudes in Services Marketing and its Implications for Advertising Policy and Programmes.

Many companies set an advertising, or promotional, objective of affecting an attitude and almost all undertake some form of attitude research among their actual and potential consumers. It would seem that most companies make the assumption that the more favourable the attitude held towards the product, service and/or the supplier, the more likely is the consumer to buy. In the marketing of services the attitudes held by customers and potential customers is especially important. The purchase decision, or process by which a decision is made, may often be more complex than a frequently bought, low-cost non-durable item. Some services may only be purchased once in a lifetime, while others are bought many times a year by certain segments of the population. However, for services one of the main features is the importance of gaining trial or first purchase by a potential customer when he comes into the market. The opportunity for potential customers to form opinions and attitudes through first hand, frequent experience of a service is extremely limited. Hence the greater reliance on indirect attitude formation.

The MCRC will be examining the formation and maintenance of attitudes towards services and the relationship of this with customer behaviour. Factors specially taken into account will include those impinging on buyer behaviour in this area, e.g. -

- additional information may be sought
- advice from colleagues or friends may be taken
- professional advisors' advice may be observed
- the decision time may be considerable
- factors beyond the control of the advertiser may dictate when a customer comes into the market for a service
- infrequent purchase may deny reliance on 'brand loyalty'
- opportunity for pre-purchase trial may be unavailable.

It is assumed that the establishment of an environment of favourable attitudes towards a service and/or its supplier can lead to an increased probability of the service being purchased. The MCRC will be examining this assumption across a range of situations and services. The establishment and maintenance of a favourable attitude environment will be examined from the point of view of the use of the communications media, particularly display advertising. This will form one of the categories of situation for the taxonomic presentation of findings on attitudes and behaviour. It is suggested that situations within the experiences of the Midland Bank, British Gas and the National Coal Board are used in this investigation. It is not intended to conduct a specially 'hived-off' study but to make sure that service situations are studied in parallel with product sales situations.

Methodology

In broad terms the MCRC will endeavour to meet the research objectives through two somewhat parallel activities. As in the first phase of the study, these are proposed to be:

- i) an examination of the literature and reported studies, and
- ii) empiric work within the sponsor companies.

From our previous work and further discussion with sponsor companies we shall identify certain types of marketing situation for analysis, e.g. new product situations, commodities, established products in declining markets, services. We shall then examine the work done by sponsors to measure attitudes and behaviour changes in relation to particular media advertising activities. We will endeavour to gather groups of examples and evidence under each category. Where insufficient examples or inadequate evidence exists we shall have to exhort some sponsors to undertake the necessary studies where relevant to their product or service situations or, in an extreme case, conduct experimental work ourselves.

It would be particularly advantageous if sponsors could inform the MCRC of their planned programme of attitude and behaviour studies over the next 12 - 18 months. With this information we could judge where it would be particularly desirable for certain situations to be probed via extra questions on questionnaires or an extra form of analysis.

Our initial task would be to undertake a critical examination of the published material relating attitudes to purchase behaviour. This would answer three questions:

- (i) What evidence is there that favourable attitudes lead to a greater probability of purchase behaviour?
- (ii) Is the relationship between attitudes and purchase behaviour more pronounced in some situations? (E.g. is it more important for fast-moving consumer goods which are frequently purchased, and of little importance for durable goods or service purchases.)
- (iii) What approaches to measuring attitudes are most appropriate in specific circumstances? (For example, should we measure attitudes towards the product itself, or towards the situation in which the product is being purchased?)

As noted under agenda item 6, a report on this work will be submitted by the year's end.

If we are to be examining attitude-behaviour links we must examine how each is most usefully and operationally defined. There is much debate on whether one can measure attitudes, as defined by some people. While we may not wish to be sidetracked into this debate we must be clear on:

- (a) what is operationally being defined as an attitude, and
- (b) how this is most reliably and consistently measurable in various circumstances.

We believe (sic) that the operational definition adopted by most sponsors for an attitude would be:

'a relatively enduring organisation of beliefs about an object or situation predisposing a person to respond in some preferential manner'

(After Rokeach (1966).)

Hence, attitude change would be defined as a change in the organisation of beliefs about the object or situation. This change would be demonstrated

by the different preferential responses the person may exhibit towards the object or situation. This implies that to ascertain the extent of attitude change the person's or group's attitude towards an object or situation at one point in time and then at a later time. Comparing the degree of favourability of these two attitudes over time it is then possible to state whether an attitude change has taken place, so it is held. However, as we have noted, the measurement of attitude change is complicated by many factors which the MCRC must fully appreciate and determine how different market circumstances and/or consumer situations will affect this. For example, some people argue that attitudes are not directly measurable - verbal testimony or written questionnaire responses are subtly different. Often attitude measurements on different population segments are not gathered over time. Cross sectional analyses are conducted on this data and it is well known this can lead to spurious conclusions: the behaviour of different segments is correlated with attitude measurements often with apparent success. However, in this situation it is difficult to know whether there is a cause and effect situation present: maybe both attitudes and behaviour are influenced by some third factor which might not be the advertising or other marketing influence. The most one can say is that attitudes and behaviour co-vary with each other and with some other variables. As mentioned before, some people argue that any discrepancy observed between attitudes and behaviour may be due to intervening variables or inadequate measures of the former.

Many studies have been reported which have explored the problems of measurement and of the relationship between attitudes and behaviour. For example, it is reported that:

"The gift scale method has the greatest likelihood of yielding satisfactory results for a variety of brands and products.....the self rating method can be still applied satisfactorily where the opportunity to use the gift choice question is not available."

"The Thurstone, semantic differential and check-list scale to measure attitude shift have been explored. The latter two were effective, the former was not."

"Many alternate scales were chosen for comparative study: Likert, open choice, limited choice, order of merit, paired comparison.....all methods result in about the same order of preference."

"Where the interest is in prediction of short term trends in purchase behaviour, the first brand awareness is the best measure to date....with a brand that has a large share of the market and the problem is one of holding customers rather than gaining new ones the constant sum scale would be considered best....it is quite possible to use both."

Bitter experience has led us to believe that it is unlikely that any one method is universally suitable for measuring attitudes and behaviour relationships.

Because of these and the many other related problems of definition and procedure we shall attempt at the outset to clarify the different methods adopted. We shall be trying particularly to identify definitions and methods with their most pertinent market situations. We shall then be able to recognise these and, hopefully, utilise this in our fieldwork.

Recap

Our overall objective is to *examine how advertising can best influence the attitude-behaviour relationship.*

We shall be attempting to *give guidance on certain operational decisions.*

We shall attempt to achieve these aims by identifying distinctive marketing situations and what characterises the attitude-behaviour link which are important influences in those situations.

The broad methodology will initially involve the examination of previous studies to clarify definitions and group situations in terms of what is already known. Fieldwork will then be conducted to substantiate the amount of evidence for each type of market situation. If and when necessary, new data will be gathered via sponsors on-going research work or special experiments.

APPENDIX VI: The Proposal for an Examination of the Methods
and Effectiveness of Public Propaganda.

This draft proposal was prepared in connection with a submission to a research council for funding.